



Government of India.

Finance Department

Budget for 1935-36

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PART I.
Railway Budget.

GOVERNMENT OF INDIA.
FINANCE DEPARTMENT.

BUDGET FOR 1935-36.

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Speech of the Railway Member

introducing the

Railway Budget for 1935-36.

This is the last occasion on which I shall discharge the annual duty of presenting to the Assembly a budget for the Railways of India. The three years during which this task has fallen on me, have unfortunately been part of that period of depression which overtook the world some five years ago. We have spent these years in battling against the effects of shrinking traffic and dwindling receipts. Development and expansion have had to be subordinated to the rigid demands of economy, and hopes of effecting much desired improvements have steadily faded away under the paramount necessity for conserving our financial resources. The prime consideration in these years has had to be the safeguarding of our financial position. We bear, it is true, severe traces of the storm which, we hope, we have at last weathered, but the intrinsic strength of that position is, I venture to submit, unimpaired. This period of trial has, moreover, not been without its silver lining. The need for the pursuit of economy, translated into terms of greater efficiency, has been impressed ineffaceably on Railway Administrations, and the results will, I hope, be permanently reflected in their working.

2. In presenting the budget for 1934-35 this time last year, I drew attention to the improvement that had begun to manifest itself in traffic during 1933-34, and expressed the belief that the steady upward trend in our goods earnings justified us in the hope that, at last, we were fairly on the road to recovery, though I was careful to add that it would be rash to anticipate any rapid progress for some time along that road. On that anticipation the Budget for the current year was framed. The course of events since last February has fortunately borne out those hopes, and we now have additional grounds for an even more optimistic forecast. Though our progress has been slow, it has been steady, and set-backs, though not entirely absent, have been on the whole few and of no serious magnitude.

3. I need not detain the House this year with lengthy explanations of changes in the form of the papers placed in the hands of Honourable Members, because I am glad to say there are none requiring such notice. I might, however, draw particular attention to the graphs included this year in the Budget Memorandum which show, at a glance, the important features of railway finance from the time the Railway Budget was separated from the General Budget. Before I pass on to my main business today, may I suggest to Honourable Members who are new to this House that, when giving notice of cuts, they should follow the practice observed in recent years in the Assembly of indicating the questions which they intend to raise. The obvious advantage of this procedure is that it enables Government members to supply the House with fuller information on the points raised than would be possible otherwise.

Financial results of 1933-34.

4. The Administration Report of Railways for 1933-34 has been in the hands of members for some time, and it is unnecessary for me to deal at length with the results of that year save to say that they followed our anticipations fairly closely. The actual deficit for the year, shown in our accounts, was just under 8 crores. It would have been about half a crore less but for the fact that, owing to holidays at the end of the financial year, a portion of our earnings for the year 1933-34 could not be credited in our accounts until the following year.

Revised estimates for 1934-35.

5. In presenting the budget for 1934-35 we estimated a deficit of $5\frac{1}{2}$ crores, including our loss on strategic lines. For the first time in recent years I am glad to be able to say that the results we have already achieved, justify us in the hope that the year will end appreciably better than we anticipated. The improvement in our traffic receipts has been larger than we allowed for, and, including the $\frac{1}{2}$ crore transferred from last year to the current year, we now estimate our total traffic receipts at $90\frac{3}{4}$ crores against 89 crores originally budgeted for. The working expenses have also increased but to a smaller extent—roughly half a crore. We now estimate our net revenue, taking into account our miscellaneous receipts and expenditure, at about $27\frac{1}{2}$ crores instead of $26\frac{3}{4}$ crores, as originally anticipated. The interest charges are a trifle less than we provided, and our net deficit has been reduced from $5\frac{1}{2}$ crores to $4\frac{1}{2}$ crores, of which commercial lines account for about $2\frac{1}{2}$ crores. This will be met, as in previous years, by a temporary loan from the depreciation fund, the actual balance of which at the end of the financial year will be 11 crores against $9\frac{1}{2}$ crores at the beginning of the year.

6. We are indeed fortunate that our anticipations of traffic receipts have been more than fulfilled. But, though the improvement in goods receipts which we hoped for has been realised, and indeed more than realised, we have seen this year a further fall in our passenger receipts. Part of this is, I have no doubt, due to the reduction of 3rd class fares that we have recently introduced on some of our railways, for, both in regard to the number of passengers and the lead per passenger, the figures for this year are appreciably above the figures for the last year. The results of our experiment on the North Western Railway have not so far been entirely encouraging. During the 12 months following the reduction in fares, there has been an increase of 11 per cent. (6 million) in the number of passengers carried but a decrease of 1 per cent. (4 lakhs) in earnings. The figures are now being analysed in detail by zones, and we shall endeavour to apply the lessons we shall learn from this experiment more generally. I may also add that we have embarked on a somewhat similar experiment on the Great Indian Peninsula Railway of reducing third class fares. On the Eastern Bengal Railway, we have started an experiment of another sort, viz., of issuing third class return tickets at $1\frac{1}{2}$ fares. We naturally hope that the increase of passengers, which we expect as a result of these reductions, will justify them and will be more than enough to counter-balance the immediate loss in earnings resulting therefrom. But, even if these innovations result in no more than a balancing of the position, the greater facilities afforded to a larger number of passengers will have made them worth while.

7. When, however, we turn to our goods traffic, there are definite grounds for congratulation. Except under oil seeds, sugar and jute, the Railways have carried a much larger tonnage, and their earnings have been much higher

during the months, April to November, of the current year than in the corresponding period of last year. The increase under coal is over 11 per cent. in tonnage and 12 per cent. in earnings. In rice the increase is 20 per cent. in tonnage and 10 per cent. in earnings. In gram and pulses it is over 30 per cent. both in tonnage and earnings. In metallic ores, the increase is still more remarkable; it is over 40 per cent in tonnage and over 50 per cent in earnings. These figures seem to me strong justification for the view that we have definitely turned the corner and that we may now hope once more with some measure of confidence for a period of balanced budgets, so far at any rate as our commercial lines are concerned.

8. While the traffic receipts in the current year, making allowance for the transfer of half a crore from earnings from last year to the current year, are about $3\frac{1}{4}$ crores more than last year, our increased working expenses (excluding depreciation) are expected to be less than $\frac{2}{3}$ of a crore higher. Most of this increased expenditure is due to the necessity for heavier repairs to all kinds of railway assets, including permanent way, buildings, rolling stock and equipment. As has been pointed out in previous years, the reduction in expenditure effected since the year 1931-32 was, to an appreciable extent, necessarily of the nature of postponement of expenditure, and the time has come when these arrears have to be made up. As a result, we have had to spend about half a crore more than last year on repairs. There is, further, the additional cost of coal, staff, etc., required for moving the additional traffic we obtained. All told, however, the estimated increase in working expenses is less than a quarter of the estimated increase in receipts.

9. I gave to the House last year a brief account of the damage caused by those disastrous convulsions of Nature, the Bihar earthquake and the sudden floods in the river Ganges which not only damaged, but threatened with destruction, the protection works of the Hardinge bridge on the Eastern Bengal Railway. We had little material at the time to frame an accurate estimate; but I stated that the cost of repairing the damage might well be between $\frac{2}{3}$ crore and a crore so far as the earthquake went, and between a crore and a crore and a half for the Hardinge bridge. It will interest the House to know what are our present estimates of the amounts required. We now anticipate that, during the three years 1933-34 to 1935-36, we shall require about 82 lakhs for the repair of earthquake damages and 137 lakhs for the Hardinge bridge protection works. As regards the latter, the House will be glad to hear that the works already constructed have proved sufficient to withstand all pressure during the flood season of 1934 successfully except for three serious slips which are now being repaired. Though the situation is not entirely free from danger, there is every hope that the steps already taken and those proposed to be taken will be sufficient to protect the bridge, and I may add, the results of the investigations so far made warrant the hope that the additional works required will not be so extensive as was at one time expected. Following the recommendations of the Committee which examined the whole situation most carefully, arrangements have been made with the kind co-operation of the Government of Bombay, which I am glad to acknowledge here, to carry out experiments in Poona with a working model embodying, as far as possible, the actual conditions prevailing. It is anticipated that these experiments will give us most valuable data to guide us for the future.

Budget estimates for 1935-36.

10. Our total estimate of traffic receipts on State lines next year is 93½ crores, against 90½ crores this year, which latter figure includes the half crore I have referred to as due to purely adventitious circumstances. Our total

working expenses, including depreciation, are expected to amount to 64½ crores. Including miscellaneous receipts of ½ crore, our net revenue will be 29½ crores, interest charges will be just under 31½ crores, and our deficit will thus be 190 lakhs. A loan of this amount from the depreciation fund will be required with the result that the fund will show an actual balance of 13 crores at the end of the year. Our estimated deficit of 190 lakhs has been arrived at after providing for a deficit on strategic lines of 197 lakhs. On commercial lines alone, therefore, we expect that we shall be able just to balance our budget, our estimate of the final result being a small surplus of 7 lakhs.

11. The course of events for the last 18 months justifies us, we believe, in estimating for the next year an increase in traffic receipts to the extent of 3½ crores, which is the amount by which this year's receipts have exceeded those of the previous year. The steady, almost continuous, improvement shown this year in our goods traffic, and the increase in passenger traffic, though not in earnings, can, in our opinion, be taken as definite indications of a regular upward trend, which may be expected to continue. We desire to avoid undue optimism, and we are therefore allowing only for the same increase next year, as we expect to get this year.

12. All signs at present point to a further improvement in the future which is likely to be sustained, if not spectacular. We feel we are justified in giving practical expression to this conclusion by a reduction in certain freight rates, and it is this feeling of confidence in the future which has led to the decision announced a few days ago of a reduction in the surcharge on coal freights. This reduction may be considered small in itself, but taking all the circumstances into consideration, including the fact that the surplus we are forecasting is exiguous, and may with a very slight change for the worse in our traffic turn into a deficit, we do not think we would be justified in going further. The reduction, it is estimated, will, in the event of no increase resulting in the volume of traffic, involve a loss in earnings of over 20 lakhs on the carriage of coal for the public. The maximum of Re 1 imposed on the reduced surcharge of 12½ per cent will, we feel sure, be of considerable benefit to long distance traffic on which the burden of the present rate has fallen most heavily. The result will be that the surcharge on all distances above 700 miles will be the same. To take a concrete instance, the surcharge on the freight from the Jherriah Coalfields to Karachi or Ahmedabad or Lahore or Delhi will be the same as the surcharge to Ghaziabad.

13. Our ordinary working expenses we place at a crore and five lakhs above the figure for the current year. Of this sum, 92 lakhs are due to the fact that it has been decided not to reimpose the cuts in pay which were first imposed three years ago as an emergency measure. Apart from the fact that more than half the staff on State Railways are actually Government servants and that Railways have therefore from the beginning followed the policy of Government in this matter, we feel that, with a revival in earnings to an extent that we think will enable us to balance the budget of commercial lines without recourse to the continuance of the cut, we could not, consistently with our pledges, refuse to follow the action taken with regard to other Government servants. The wide discontent among our staff which would have followed any attempt to single them out for specially unfavourable treatment, would, I have no doubt, have resulted in grave detriment to efficiency, if not indeed in serious labour trouble.

14. For the rest, our estimate of working expenses provides for the continuance of expenditure on repairs and maintenance on about the same scale as during the current year. It also provides for a special expenditure of 10 lakhs to re-condition some of our wagons which, though still nowhere near the

end of their normal life, have proved very uneconomical to maintain and run. If we can do this at a reasonable cost, it will prove more economical than the purchase of new wagons. The only other point of interest I would like to refer to in connection with our estimates of expenditure, is the proposal to make the Central Standards Office permanent with a somewhat larger staff and to provide an annual grant for research. The valuable work done by this office in standardising articles required for railways with the dual object of making such articles cheaper by enabling processes of mass production to be employed in their manufacture and of encouraging such manufacture in the country itself, is well known and I need hardly dilate on it, at any length here. This organisation has, however, been somewhat hampered in its activities by insufficient staff and inadequate funds for research, and I am glad that, with the improvement in our financial prospects, we have been able to set apart a small sum for the purpose of accelerating these directly remunerative activities.

15. I have referred in my two previous budget speeches to the extent of our contributions to the depreciation fund and the criticisms we were occasionally subjected to on that account. I regret to say that we have not been able to arrive at final conclusions on the wide and complicated question of what should be the theoretically proper allocation of works expenditure between capital and revenue, but, pending such a decision, we have decided, after consultation with the Auditor-General and with the concurrence of the Standing Finance Committee for Railways and the Public Accounts Committee and with the approval of the Secretary of State to simplify our calculations for the depreciation fund by taking the amount to be put by for depreciation as a definite fraction, *viz.*, $\frac{1}{60}$ th of the total capital at charge. As a result, during 1935-36, the amount that we have to set aside for depreciation will be 13½ crores, about 45 lakhs less than during the current year.

16. I must emphasise at this stage that this decision has been taken purely from the point of view of simplification of procedure and should not be treated as indicative of the final views of Government on the general question of the amount which should be provided for the purpose required. The fraction adopted has been selected to yield as far as possible the same results as the older complicated calculation. In the first ten years, the average annual contribution under the old method was 12·17 crores and under the new method it would be 12·10 crores.

17 I have in previous years expressed my confidence in the essential strength and soundness of the financial position of Indian Railways notwithstanding the successive deficits since 1930-31. The results of the last year and the estimates which I am placing before the Assembly today have, I make bold to claim, justified that optimism. A review of results, if it is to be of any value, must extend over a sufficiently lengthy period to eliminate the distorting effects of temporary causes and give a true picture of the whole. Taking broad results, it will be seen that in the 12 years ending with 1935-36, 6 years of prosperity and 6 of adversity, the net results of the working of all State-owned lines, commercial and strategic, will, if our present estimates prove correct, be a surplus of 14 crores and an accumulated balance in the depreciation fund of 41½ crores. In other words, during this long period of varying fortune, we shall have earned a net income of over a crore a year after meeting working expenses, providing for accruing depreciation and paying interest in full on borrowed capital.

18. Our programme of works expenditure for 1935-36, though more extensive than in the last few years, is still far below the programmes of the pre-depression period. We are providing 15 crores of which $\frac{1}{4}$ crore is

for new construction and 44 lakhs for the purchase of the Amritsar-Patti-Kasur Railway, a line 55 miles in length, which is owned by a private company and can be purchased, on remunerative terms, as from January next. On improvements of the open line, we expect to spend the balance of 14½ crores. In order to meet the larger traffic expected, we are purchasing about 5,000 wagons, of which 4,250 will be general service wagons to be added to our pool. The total cost of these wagons is expected to be 2¼ crores.

19 Of new works, I need mention only a few. The construction of the Megna Bridge on the Assam Bengal Railway is a work of great importance as ensuring uninterrupted communication between Eastern Bengal and Assam. The extension of the electrified suburban section of the Bombay, Baroda and Central India Railway from Borivli to Virar will not only be of great convenience to the public, but is expected to be highly remunerative. There is a third project for which we are providing a small sum but which it has not yet been definitely decided to build, *viz.*, the Karaikudi-Melur-Madura line in Southern India. It appears likely from a detailed examination to be sufficiently remunerative to warrant construction. It was, moreover, placed some time ago by the Madras Government high up on their list of recommended lines, but, before we come to a final decision, we propose to follow the procedure recommended by the Transport Advisory Committee and shall first refer the question of its construction to the Madras Government for their advice in consultation with the other interests concerned. In following this course, we hope to initiate the practice of friendly consultation between the authorities concerned with a view to the most economic development of communications in the best interests of the country as a whole for which the railways will always stand.

20. I have endeavoured to set out without embellishment the bare facts in regard to our financial position, but this somewhat cold recital gives no indication of the human effort which has gone to secure the result. I need not apologise for repeating an appeal I have made more than once for a fair assessment of the difficulties which Railway Administrations have to face and of the manner in which they have endeavoured to overcome them. It seems to me that no organisation, public or private, is brought into such close, such intimate and such continuing contact with the public as the Railway Department. It is, so to speak, continually and ceaselessly on its trial, literally every minute of the day and every day of the year. In these circumstances, it is not surprising that occasions should arise for legitimate criticism. The only consolation is that those occasions do not arise more often. I would ask the public sometimes to glance at the other side of the picture, at the organisation, the forethought, the unremitting care, the technical skill and the devotion to duty, on the part of the lowest to the highest official, which are essential if the railways of India are to meet effectively and efficiently the administrative and economic needs of the country. I should be guilty of ingratitude if I failed to acknowledge the work which all ranks of Railwaymen have done during a period of exceptional trial and the spirit in which they have met the heavy calls made upon their patience and endurance during the lean years through which we have passed. If I single out two names, *viz.*, those of Sir Guthrie Russell, the Chief Commissioner, and Mr. P. R. Rau, the Financial Commissioner, to couple with a special expression of acknowledgment, it is because they have been in almost daily contact with me and I owe much to their unfailing courage, under the most depressing circumstances, their sound judgment and their extraordinary capacity for work. A personal tribute of this nature is, I think, permitted to an outgoing Member.

21. I would like to conclude with a reference to the future of Railways in India. There is an impression, I believe, that, entrenched behind a position which was once of considerable advantage, they resent all encroachment upon what they regard as their own peculiar sphere and refuse to advance with the times and forge new and more effective weapons to meet attacks which modern developments have made possible. Whatever may have been the attitude of Railways in the past, I have no doubt that they are now fully alive to the need for a re-orientation of their administrative policy and methods. I have never ceased to lay emphasis on the necessity for this and have lost no opportunity of impressing it on those responsible for the administration of railways. A passage from my last address to the Railway Conference may be of interest and will at least be useful as helping to secure the emphasis which comes of iteration. It runs as follows :

"The competition which Railways are experiencing at the hands of rival means of transport has been engaging our very serious attention now for some time. It is not a passing phase. It is a permanent challenge which will grow in intensity and which will, I believe, be felt eventually in fields not yet seriously threatened. The projected developments in Civil Aviation in India are significant, and I would ask you to remember that the impossible of today is the commonplace of tomorrow. Scientific research may, quite conceivably and perhaps sooner than we imagine, cut down by a substantial margin today's operating costs of motor transport. Whatever may be the strictly narrow railway view of such competition, present and prospective, we must all admit that in the larger interests of the country it is good that it should exist, for only through such rivalry can the public be assured of the maximum efficiency in service at a minimum cost. Apart from everything else, such competition is inevitable, and there is only one sound method of meeting it. So long as Railways do not live in the past, so long as they endeavour strenuously to meet fully, efficiently and effectively the ever varying demands of the present and yet keep their eyes searchingly on the future and its possibilities, so long and no longer will they endure successfully."

If the ideal of Indian Railways is to secure the highest efficiency at the lowest cost, they will continue for many a long year to come to serve this country's needs as successfully as in the past. It has been my endeavour to keep that ideal before them.

BUDGET

of the

Railway Revenue and Expenditure of the Governor-General in Council, as laid before the Indian Legislature, 1935.

RAILWAY DEPARTMENT;
New Delhi, 14th February 1935.

P. R. RAU,
Financial Commissioner of Railways.

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1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1933-34.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings—						
Upper class . . .	3,10,98,000	...	...	3,10,98,000	3,01,00,000	...
Third class . . .	24,15,90,118	...	...	24,15,90,118	24,11,00,000	...
Other coaching traffic earnings.	4,81,60,263	...	...	4,81,60,263	4,83,00,000	...
Goods traffic earnings .	57,44,77,083	..	..	57,44,77,083	60,94,00,000	...
Sundry earnings . . .	1,57,28,976	2,513	—4	1,57,31,485	1,52,98,000	2,000
Credits for materials released from works chargeable to the Depreciation Fund .	1,17,26,009	...	..	1,17,26,009	97,00,000	...
TOTAL EARNINGS .	92,27,96,479	2,513	—4	92,27,82,988	95,38,98,000	3,000
Deduct—						
Refunds of Revenue collected	10,94,258	..	...	10,94,258	11,90,000	...
Earnings of worked lines	6,12,97,492	...	..	6,12,97,492	..	...
Earnings of State Railways.	87,03,88,729	2,513	—4	87,03,91,238	95,27,08,000	2,000
Suspense . . .	—48,63,186	..	..	—48,63,186	30,00,000	..
Gross receipts of State Railways.	86,55,25,543	2,513	—4	86,56,28,052	95,77,08,000	2,000
Deduct—						
Working expenses of State Railways.	60,72,61,823	48,06,090	—5,225	61,20,62,688	64,24,55,000	41,52,000
Surplus profits paid to Indian States and railway companies	56,65,149	...	...	56,65,149	61,25,000	...
Payments to worked lines—						
(i) Net earnings . . .	...	...	..	..	2,65,00,000	4,00,000
(ii) Subsidy, Rebate, etc.	...	...	..	..	13,60,000	..
Net receipts . . .	25,35,98,571	—48,03,577	5,221	24,78,00,215	28,12,68,000	—45,50,000
(b) Strategic lines—						
Gross receipts . . .	1,26,32,905	...	...	1,26,32,905	1,33,00,000	...
Deduct—						
Refunds of Revenue collected.	12,779	...	..	12,779	10,000	...
Working expenses . . .	1,88,03,153	...	...	1,85,03,153	1,87,00,000	...
Net receipts . . .	—58,83,027	..	..	—58,83,027	—54,10,000	..
Total net receipts, Commercial and Strategic lines.	24,87,15,544	—48,03,577	5,221	24,19,17,188	27,58,58,000	—45,50,000
XII.—Subsidized Companies—						
Government share of surplus profits, etc.	17,26,179	1,02,073	—284	18,28,017	21,71,000	1,29,000
XIII-A.—Miscellaneous Railway Receipts—						
(a) Commercial lines—						
Interest on Depreciation Reserve and Reserve Fund balances.	48,81,339	...	...	48,81,339	43,71,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts.	12,87,506	...	...	12,87,506	25,00,000	...
(b) Strategic lines—						
Interest on Depreciation Fund balances.	8,39,853	...	..	8,39,853	9,21,000	...
TOTAL RECEIPTS .	25,54,50,421	—47,01,505	4,987	25,07,53,903	28,58,21,000	—44,21,000
XIII-B.—Transfers from Railway Reserve Fund.	...	...	...	...	...	...
XIII-C.—Withdrawal of sums deposited on account of the Railway Depreciation Fund.	7,96,33,325	...	..	7,96,33,325	4,23,76,000	...
TOTAL .	33,50,83,746	—47,01,505	4,987	33,03,87,228	32,81,97,000	—44,21,000

Government from Railways in India and England.

1934-35.		Increase (+) Decrease (-) as compared with Budget, 1934-35.	BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (-) as compared with Revised 1934-35.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	3,01,00,000	-3,00,000	3,06,00,000	...	...	3,06,00,000	+5,00,000
...	24,11,00,000	-80,00,000	24,30,00,000	...	...	24,30,00,000	+19,00,000
...	4,83,00,000	+2,15,000	4,87,00,000	...	...	4,87,00,000	+4,00,000
...	60,94,00,000	+2,34,00,000	63,91,00,000	...	..	63,91,00,000	+2,97,00,000
...	1,53,00,000	-17,00,000	1,57,98,000	2,000	...	1,58,00,000	+5,00,000
...	97,00,000	-24,00,000	97,00,000	.	.	97,00,000	...
...	95,89,00,000	+1,07,15,000	98,68,98,000	2,000	...	98,69,00,000	+3,30,00,000
...	11,90,000	+5,000	11,90,000	..	..	11,90,000	...
...
...	95,27,10,000	+1,07,10,000	98,57,08,000	2,000	..	98,57,10,000	+3,30,00,000
...	50,00,000	+50,00,000	.	.	..	.	-50,00,000
...	(a) 95,77,10,000	+1,57,10,000	98,57,08,000	2,000	..	(c) 98,57,10,000	+2,80,00,000
-7,000	(b) 54,66,00,000	+70,50,000	64,72,85,000	39,15,000	...	(d) 65,12,00,000	+46,00,000
...	61,25,000	+5,25,000	56,00,000	...	...	56,00,000	-5,25,000
...	2,69,00,000	+5,00,000	2,70,00,000	4,00,000	.	2,74,00,000	+5,00,000
...	13,60,000	-30,000	13,30,000	..	..	13,30,000	-30,000
7,000	27,67,25,000	+76,65,000	30,44,93,000	-43,13,000	...	30,01,80,000	+2,34,55,000
...	1,33,00,000	+2,85,000	1,38,00,000	...	...	1,38,00,000	+5,00,000
...	10,000	-5,000	10,000	.	.	10,000	.
...	1,87,00,000	-7,50,000	2,06,00,000	.	.	2,06,00,000	+19,00,000
...	-54,10,000	+10,40,000	-68,10,000	...	...	-68,10,000	-14,00,000
7,000	27,13,15,000	+87,05,000	29,76,83,000	-43,13,000	..	29,33,70,000	+2,20,55,000
..	23,00,000	+1,50,000	19,74,000	1,36,000	...	21,00,000	-2,00,000
...	43,71,000	-7,88,000	48,59,000	...	...	48,59,000	+4,88,000
...	25,00,000	+5,30,000	23,00,000	...	...	23,00,000	-2,00,000
...	9,21,000	-15,000	9,66,000	..	..	9,60,000	+45,000
7,000	28,14,07,000	+86,02,000	30,77,82,000	-41,87,000	...	30,35,95,000	+2,21,68,000
..
...	4,23,76,000	-1,06,46,000	1,59,50,000	...	...	1,89,50,000	-2,34,26,000
7,000	32,37,63,000	-20,44,000	32,67,32,000	-41,87,000	...	32,25,45,000	-1

(a) Includes Rs. 5,35,00,000, earnings of worked lines.

(b) Includes Rs. 2,70,00,000, working expenses of worked lines.

(c) Includes Rs. 5,45,00,000, earnings of worked lines.

2.—Statement of the Expenditure on Railways charged to

HEADS OF EXPENDITURE.	ACCOUNTS, 1933-34.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways—						
(a) Commercial lines—						
Interest—						
on Government capital at charge	18,32,53,024	11,53,13,866	—1,40,965	29,85,24,925	17,93,59,000	11,28,90,000
on capital contributed by Indian States and Companies.	3,53,576	1,25,19,398	—16,114	1,28,56,860	3,36,000	1,20,01,000
Total interest, commercial lines . .	18,37,06,600	12,78,32,264	—1,57,079	31,13,31,785	17,96,95,000	12,48,91,000
(b) Strategic lines—						
Interest on capital at charge . .	1,44,15,552	...	...	1,44,15,552	1,40,54,000	...
TOTAL INTEREST . .	19,81,32,152	12,78,32,264	—1,57,079	32,57,97,337	19,37,49,000	12,48,91,000
11. Subsidized Companies—						
Land	1,44,012	...	...	1,44,012	75,000	...
Subsidy	6,06,828	..	...	6,06,828	2,75,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	26,50,553	11,65,612	—1,343	38,14,821	41,77,000	8,10,000
Strategic lines	24,230	...	..	24,230	25,000	..
Payments to general revenues—						
Contribution . . . . .	...	.	...	...	...	...
12A. Surplus Railway Revenue transferred to Railway Reserve Fund.	.	...	...	...	...	...
TOTAL . .	30,15,47,774	12,89,97,876	—1,53,422	33,03,87,228	19,83,01,000	12,57,01,000

the Revenue of the Central Government in India and in England.

1934-35		Increase (+) Decrease (-) as compared with Budget, 1934-35.	BUDGET ESTIMATE, 1935-36.					Increase (+) Decrease (-) as compared with Revised, 1934-35.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
—1,96,000	29,20,53,000	—19,87,000	17,90,00,000	11,17,53,000	...	29,07,59,000	—12,94,000	
—21,000	1,23,16,000	—84,000	3,15,000	1,19,01,000	...	1,22,16,000	—1,00,000	
—2,17,000	30,43,69,000	—20,71,000	17,93,15,000	12,36,60,000	...	30,29,75,000	—13,94,000	
...	1,40,54,000	—23,000	1,38,55,000	.	..	1,38,55,000	—1,69,000	
—2,17,000	31,84,33,000	—20,94,000	19,32,00,000	12,36,60,000	...	31,68,60,000	—15,63,000	
...	75,000	+ 25,000	2,00,000	...	...	2,00,000	+ 1,25,000
...	2,75,000	—35,000	2,95,000	..	...	2,95,000	+ 20,000
—2,000	49,55,000	+ 59,000	43,95,000	7,70,000	...	51,65,000	+ 1,60,000	
...	25,000	+ 1,000	25,000	...	...	25,000	...
...	
...	
—2,19,000	32,37,63,000	—20,44,000	19,81,15,000	12,44,30,000	...	32,25,45,000	—12,38,000	

2(a).—Contribution from Railway to General Revenues, 1934-35.

(Based on actuals, 1932-33.)

	Rs.	Rs.
1. 1 per cent. on capital of 7,22,45,01,131 at charge, commercial lines		7,22,45,011
2. (i) Receipts—Commercial lines—		
Gross traffic receipts	84,34,56,910	
Subsidised Companies' share of surplus profits	21,47,782	
Interest on Depreciation and Reserve Fund balances	65,44,272	
Dividend on investments in branch lines and other miscellaneous receipts	8,68,212	
(ii) Charges—Commercial lines—		85,30,42,176
Working expenses	60,95,59,088	
Indian States and Railway Companies' share of surplus profits	65,20,731	
Interest—		
on capital at charge	30,10,39,311	
on capital contributed by Indian States and Companies	1,33,57,944	
Land and subsidy	5,54,852	
Miscellaneous railway expenditure	40,83,647	
Contribution at 1 per cent. on capital at charge	7,22,45,011	1,00,73,60,584
(iii) Deficit		15,43,18,408
(iv) Contribution of one-fifth of surplus . . . . .		...
3. (i) Total contribution from railway revenues [1 plus 2 (iv) ] . . . . .	..	7,22,45,011
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital	1,40,55,062	
(ii) Loss in working	55,64,092	
(iii) Interest on the amount of loss in working met from Depreciation Reserve Fund of Commercial lines.	5,60,087	2,07,79,841
(ii) Net payment due from railway to general revenues in 1934-35 . . . . .	...	5,14,65,170

2(a).—Contribution from Railway to General Revenues, 1935-36.

(Based on actuals, 1933-34.)

	Rs.	Rs.
1. 1 per cent. on capital of 7,20,70,41,616 at charge, commercial lines		7,20,70,416
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts	88,55,28,052	
Subsidised Companies' share of surplus profits	18,28,017	
Interest on Depreciation and Reserve Fund balances	48,81,339	
Dividend on investments in branch lines and other miscellaneous receipts	12,87,506	
(ii) Charges—Commercial Lines—		87,35,24,914
Working expenses	61,20,82,688	
Indian States and Railway Companies' share of surplus profits	56,65,149	
Interest—		
on capital at charge	29,85,24,935	
on capital contributed by Indian States and Companies	1,28,56,880	
Land and subsidy	7,50,840	
Miscellaneous railway expenditure	38,14,831	
Contribution at 1 per cent. on capital at charge	7,20,70,416	
		1,00,57,45,688
(iii) Deficit		18,22,20,765
(iv) Contribution of one-fifth of surplus . . . . .		...
3. (1) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .	...	7,20,70,416
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital	1,44,15,552	
(ii) Loss in working	50,67,404	
(iii) Interest on the amount of loss in working met from Depreciation Reserve Fund of commercial lines	5,28,962	
		2,00,11,918
(ii) Net payment due from railway to general revenues in 1935-36 . . . . .	...	5,20,58,468

3.—Statement of Receipts of the Central Government in India and England for State

HEADS OF ACCOUNT.	ACCOUNTS, 1933-34.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways . . . .	...	...	...	..	...	...

4.—Statement of the Capital Expenditure of the

HEADS OF EXPENDITURE.	ACCOUNTS, 1933-34.				REVISED ESTIMATE.	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Ps.
Railway Capital not charged to Revenue:—						
53 —Construction of State Railways:—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock . . .				—1,81,10,000		
Other Works . . .				1,58,94,840		
New Construction . .				22,55,000		
Suspense				—1,91,71,000		
Miscellaneous						
Emergency deductions from pay				—5,24,000	..	.
TOTAL	—3,04,33,009	1,05,87,739	—10,090	—1,98,55,360	5,00,000	1,50,00,000
(b) Strategic Lines—						
Open Line Works—						
Rolling Stock . . .				—1,52,000		
Other Works				3,34,768		
New Construction . . .				845		
Suspense				—5,69,000		
Emergency deductions from pay.				—4,000		
TOTAL	—6,89,369	..	..	—6,89,369	—5,00,000	..
TOTAL COMMERCIAL AND STRATEGIC LINES	—3,11,22,378	1,05,87,739	—10,090	—2,05,44,729		1,50,00,000
53-C.—Discharge of Debentures	3,72,666	20,26,667	—3,512	23,95,841	...	40,00,000

Central Government in India and England on Railways.

1934-35.			BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (-) as compared with Revised, 1934-35.
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1934-35.	India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	-25,05,000	-89,46,000				91,47,000	+1,16,52,000
	2,83,35,000	-1,83,88,000				4,53,03,000	+1,68,68,000
	25,10,000	+14,00,000				26,00,000	+90,000
	-98,50,000	-37,65,000				-69,00,000	+29,50,000
	-24,10,000	-24,10,000				44,00,000	+68,10,000
	-5,80,000	+1,24,000				-50,000	+5,30,000
	1,55,00,000	-3,19,55,000	3,44,00,000	2,00,00,000	...	5,44,00,000	+3,69,00,000
	-10,45,000	-7,45,000				-5,48,000	+5,02,000
	7,00,000	+1,79,000				14,48,000	+7,43,000

	-1,50,000	+7,50,000				-3,00,000	-1,50,000
	-5,000	+1,000					+5,000
...	-5,00,000	+1,85,000	6,00,000	..	...	6,00,000	+11,00,000
	1,50,00,000	-3,18,00,000	3,50,00,000	2,00,00,000		5,50,00,000	+4,00,00,000
-7,000	38,93,000	+38,93,000	...	...	...	..	-38,93,000

A.—Railway Depreciation Reserve Fund.

	Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate, 1934-35	Budget Estimate, 1935-36.		Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	12,08,21,913	11,79,10,913	9,49,83,152	10,99,07,152	Appropriation from Depreciation Reserve Fund.	16,12,86,706	14,00,23,000	12,23,78,000	11,39,50,000
Appropriation to Depreciation Reserve Fund.	13,56,47,945	13,65,01,000	13,73,00,000	13,25,06,000	Closing balance.	9,49,83,152	11,43,88,913	10,99,07,152	12,57,57,152
TOTAL	25,62,69,858	25,44,10,913	23,22,83,152	24,27,07,152	TOTAL	25,62,69,858	25,44,10,913	23,22,83,152	24,27,07,152

B.—Railway Reserve Fund.

	Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.		Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	46,81,114	46,81,114	46,81,114	46,81,114	Appropriation from Re- serve Fund	...	...	...	...
Appropri- ation to Reserve Fund.	...	.	...	...	Closing balance.	46,81,114	46,81,114	46,81,114	46,81,114
TOTAL .	46,81,114	46,81,114	46,81,114	46,81,114	TOTAL .	46,81,114	46,81,114	46,81,114	46,81,114

Speech by the Hon'ble Sir Guthrie Russell, Chief Commissioner of Railways, in presenting the Railway Budget for 1935-36 in Council of State.

SIR,

I have the honour to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1935-36 in respect of railways. It has been my misfortune in the past to present to the Council what must have been considered as rather gloomy statements and forecasts. Railway earnings are however like the tides; they rise and fall. It would appear that low tide was reached during 1932-33, and that now there is every indication that we are on the rising tide. I know that in the past I have been accused of being an optimist, but I think that the figures which I shall place before the Council to-day, will show that this optimism has been justified and that the Railways of India are now well on the road to a period of prosperity. I do not say for one moment that we shall not have set-backs, but unless our calculations are entirely upset by events outside India, over which we have no control, I believe such set-backs as we do have, will only be temporary. Ever since the beginning of the financial year 1933-34, our earnings have shown a tendency to rise. During that year our gross earnings amounted to 86.63 crores as against 84.43 crores for 1932-33. These results would have been better to the extent of about $\frac{1}{2}$ a crore but for the fact that, owing to the holidays at the end of the financial year, this sum could not be taken into account. Our earnings during 1934-35 will, of course, be swelled to this extent. In placing the Budget for 1934-35 before the Council, I estimated that our gross earnings would be about $2\frac{1}{2}$ crores better than for the previous year, or a total of 89 crores. To date, our anticipations have been more than realised, and we now think we are on reasonably safe grounds in estimating our total traffic receipts at 90.75 crores for this financial year. With these results before us, I think we are justified in approaching our task of making our budget estimate for 1935-36 in a spirit of optimism. We, therefore, propose to assume that we shall get a further increase of $2\frac{3}{4}$ crores in our earnings which will raise these to 93 $\frac{1}{2}$ crores. If our anticipations are realised, we shall be in a position to meet all our liabilities so far as commercial lines are concerned, and the deficit will be reduced to under 2 crores, or approximately the loss on strategic lines. To emphasise the point that I have already made that we are now apparently on a rising tide of railway earnings, I would repeat the figures I have already given of actuals and estimates. During 1932-33, the trough of the depression, our earnings were 84.43 crores. During 1933-34 they rose to 86.63 crores, and our revised estimate for 1934-35 places these at 90.75, and for 1935-36 we estimate they will amount to 93.50 crores.

2. The figures I have given are our gross traffic receipts, but the real indication of prosperity is the net earnings, i.e., the difference between gross earnings and working expenses. How have we fared as regards working expenses? Has all that is possible been done during the lean years to adjust these to falling earnings? I think we can justify our claim that the Railways of

India have done their utmost to cut their coats according to the cloth available. In 1929-30 the last year of peak traffic the working expenses rose to 55·59 crores, by 1932-33 they had been reduced to 49·08 crores—a decrease of just over 6½ crores. In 1933-34 with an increase in traffic they rose to 49·50 crores. In 1934-35 we estimate they will be 50·10 crores and our budget estimate for 1935-36 is 51·15 crores. Thus, between 1932-33 and 1935-36, though we anticipate an increase in earnings of just over 9 crores we hope to obtain this with an increase in working expenses of about 2 crores. When it is borne in mind that during 1932-33 our staff was subject to the full cut in pay which reduced our working expenses by 193 lakhs, we shall, if our estimates prove correct, and taking into account varying factors, etc., obtain 9 crores of additional revenue from an increase of only about two-thirds of a crore in working expenses.

3. A simple mathematical calculation which I propose to do for the Council will show that our net traffic receipts for 1932-33 were 35·35 crores, for 1933-34 37·13 crores, our revised estimate for 1934-35 is 40·65 crores, and our budget estimate for 1935-36 is 42·35 crores. From these amounts has to be deducted the appropriation to the Depreciation Fund. After making this deduction and adding the net result of our miscellaneous receipts and charges, if we had been a private company, we should have had available for payments of dividends during 1932-33 and 1933-34, 22·68 and 24·62 crores respectively. Our estimate for 1934-35 is 27·60 crores and for 1935-36, 29·79 crores. Unfortunately we are not in the position of a private company, and we have got to meet fixed interest charges. The result was that in 1932-33 and 1933-34 we were short in these interest charges by 10 crores 23 lakhs and 7 crores 96 lakhs respectively. During 1934-35 we anticipate that our deficit will drop to 4·24 crores and in 1935-36 to 1·90 crores. The position for 1935-36 will be that our deficit will be rather less than the loss on strategic lines, that is, the Railways of India, as a commercial concern, after meeting all their charges, will have a small surplus.

As the Council is aware, since our reserve fund has been exhausted, we have met our deficits by loans from the Depreciation Fund. Despite these heavy withdrawals, the balance in the Depreciation Fund at the end of 1935-36 should be 12·87 crores. Though no one can see into the future, I have every hope that, when I place the budget estimates for 1936-37 before the Council next year, I shall be in a position to estimate for a surplus for commercial and strategic lines combined.

4. Despite the undoubtedly more cheerful outlook, there is one rather depressing feature. Goods traffic is entirely responsible for our increase in earnings, our passenger earnings still show a tendency to decrease. For this the reasons are not far to seek. The country has been passing through a period of depression and people have little money to spend on travelling, but with a return to prosperity we hope the travel spirit will again evince itself, and in this belief we have allowed for a small increase in passenger earnings during the next financial year. In an endeavour to regain traffic we have, as an experiment, made a general reduction of fares on the North Western Railway. The result of this for the first 12 months, during which it has been in force, has been an increase in the number of passengers travelling as compared with the previous 12 months, of 6 million or 11 per cent., but a decrease in earnings of 4 lakhs or 1 per cent. We are also trying a somewhat similar experiment for 3rd class traffic on the Great Indian Peninsula Railway, and we have introduced return tickets on the Eastern Bengal Railway. It is yet too early to say whether these experiments are going to pay or not. We are, however, still up against a problem—a problem that, if I may say so, has baffled the

ingenuity of our Railways to grapple with, that is, relating to those who feel they have an inherent right to travel by railway without paying for their journey as other fellow citizens do. The extent of the evil can perhaps best be gauged from the fact that in 1933 nearly 3 million passengers were detected travelling without tickets. This, it is believed, is only a fraction of the number who travelled similarly but were not detected. Had it been possible for us to have had two or more ticket examiners on every train the facts that would have been disclosed would have, I feel sure, enabled the public to realise the seriousness of the situation. How many crores of revenue the Railways of India have lost on this account it is difficult to estimate, but it is the honest passenger who has to pay more for his travel to cover what the Railways lose on the ticketless traveller. I think Railways may justifiably look to public opinion to assert itself in this matter and support them in the measures that they desire to take at least to mitigate, if not eradicate, this evil. Railways have suggested amending the Indian Railways Act in order to make the penalty for those found travelling without tickets sufficiently deterrent. We have asked Railways for their views as to what amendments in the Act they would recommend, and it is our intention to discuss this matter, in due course, with the Central Advisory Council for Railways before deciding on the steps to be taken.

5. Our passenger earnings, like those of the Railways of every other country in the world, have undoubtedly been affected by the growth of motor transport, and Honourable Members will perhaps expect me, on this occasion, to make some observations on the somewhat complex problem of competition between the railways and the roads. It is a problem which practically every country in the world has to solve. Each is endeavouring to find a solution compatible with the conditions there prevailing. Here in India also the problem has within recent years assumed an importance which compels early action being taken before it reaches a stage at which co-ordination will become more difficult. I have no desire to exaggerate the seriousness of the position so far as it affects our railways. We realise that there is considerable room for the expansion of both our roads and our railways. That the expansion of the one should be complementary to the other is a doctrine to which no one, I believe, will take exception. Honourable Members are perhaps aware of the first meeting of the Transport Advisory Council held here last month, which, apart from anything else, showed how completely in agreement were all those who are responsible for the development of railways and roads, in regard to the necessity for the adoption of measures to ensure systematic development. There is to us only one criterion that is paramount in these matters and that is the public interest, which is synonymous with the interest of the general taxpayer.

6 I know it has been suggested that road competition is good for Railways as it tends to make Railway Administrations give more careful consideration to the improvement of their services. I do not propose to controvert this view. But Honourable Members will no doubt appreciate the point that it is not a lack of willingness that prevents Railways from improving their services. All improvements call for increased expenditure, and while Railways are quite prepared to take the long view that an immediate return cannot reasonably be expected, they cannot in the public interest adopt the numerous suggestions they receive for more frequent services and the provision of other facilities, which, their experience and local knowledge tell them, would involve expenditure out of all proportion to the convenience afforded. I can, however, assure this House that Railways fully realise and appreciate the necessity for keeping abreast of the times and are doing whatever is practicable to meet all reasonable requirements.

7 As I have already said, the increase in goods traffic is entirely responsible for our increased earnings. A perusal of the statistics so far collected for this financial year shows some remarkable results. With the exception of oil seeds, sugar and jute, practically every commodity shows an increase. The increase in the tonnage of coal carried is over 11 per cent with an increase of 12 per cent. in the earnings. We have carried 20 per cent. more rice with 10 per cent. more earnings. Our traffic in gram and pulses has actually increased by 30 per cent, both in tonnage and earnings. The greatest increase of all is in metallic ores, where our tonnage has increased by 40 per cent and our earnings by 50 per cent. These figures alone, I think, show that commerce and industry in India are very definitely on the up grade. It was in earnest of this belief that we announced some days ago that the basic rate for the surcharge on coal would be reduced on 1st April from 15 per cent to 12½ per cent. and be subject to a maximum of Re 1 per ton. This will be of particular benefit to long-distance traffic. The overriding maximum of Re 1 comes into operation at distances of above 700 miles from the coalfields.

8 While I am on the subject of goods traffic, Honourable Members will, I am sure, desire to know what progress has been made in regard to the question of a revision of the General Classification of Goods, a matter which we discussed with the Central Advisory Council for Railways last August. The lines which such a revision would take would depend entirely on the result of a detailed investigation of the traffic in each of the important commodities. The extent to which revenue is likely to be affected by any general revision of freight classification is so great that detailed statistics showing the volume of the traffic in each commodity, the zones within which it moves and the revenue earned therefrom, must be available before any further action is taken. A Committee was specially constituted by the Indian Railway Conference Association to examine and report on the statistics that should be compiled. The Committee's report was considered by the Indian Railway Conference Association at their meeting in October last when they decided that a further examination should be made as to whether it would not be possible to consider a simplification of the tariff without the preparation of the more elaborate statistics which their special Committee had recommended. The matter is coming up for further consideration at the meeting of the Conference Association next month. This contemplated revision of the tariff does not, however, preclude Railways from making meantime such alterations in their rates for goods traffic as circumstances call for. As a result of the discussion at the Crop Planning Conference in June last year, I believe Railway Administrations are now more closely in touch with those officers of local Governments who are endeavouring to facilitate the efforts of the agriculturist in finding a market for his produce. We hope that this co-operation will prove beneficial to both the producer and the consumer and incidentally make its influence felt by an increase in the earnings of our railways.

9. Increased traffic earnings are doubtless the life blood of Railways, but we must also take into consideration the cost of obtaining them. I have already given details of how our working expenses have varied with our earnings and said that we estimate we shall be in a position to carry 9 crores of additional traffic during 1935-36 with a relative increase in working expenses of about two-thirds of a crore as compared with the year 1932-33. How has this result been achieved? Undoubtedly we have been helped by a fall in the price of coal and general stores, but I think we may claim that the main reason is more efficient operation owing largely to the policy of the Railway Board, in the more prosperous times, of increasing main line capacity by the provision of up-to-date marshalling yards, strengthening of track and bridges.

more powerful locomotives, higher capacity goods stock and the vacuum-braking of goods vehicles, but we must not forget that this greater efficiency, despite all these improvements could not have been obtained but for the co-operation of Railway Administrations and Railway staff from the highest to the lowest. Another factor which has helped is the policy of standardising all items of railway equipment. Our standards organisation was started 5 years ago on a temporary basis, but I am glad to say that this organisation has now, with the concurrence of the Standing Finance Committee for Railways, been placed on a permanent basis, and I feel sure that it will continue to add to the efficiency of Indian Railways, and, as years go on, be of more and more benefit to Indian industries.

10. I must now turn to our Capital and Depreciation Fund programme for the coming year. This is again a modest one. Despite the more favourable prospects ahead we have not considered it desirable to launch on a large programme of capital expenditure. In saying this I do not wish it to be understood that we are resting on our oars. This is far from being the case. We have constantly under investigation projects which will open up areas of country which have no means of getting their produce to the outside world and schemes which will reduce our expenditure and increase the efficiency of our railways. We are actually at the moment re-examining all projects which had to be postponed owing to financial stringency and which at the time they were last examined showed signs of giving a fair return on the capital expended. I hope it may be possible to include some of these in our budget for 1936-37. For 1935-36 our programme allows for a total expenditure of $15\frac{3}{4}$ crores against our estimate for the present year of $10\frac{3}{4}$ crores, or after allowing for a further reduction of $\frac{3}{4}$ crore in stores balances which will be reduced to $8\frac{1}{2}$ crores, an actual cash outlay of 15 crores. Of this amount $9\frac{1}{2}$ crores will be found from the Depreciation Fund and the balance of $5\frac{1}{2}$ crores will be an addition to capital. The programme itself is, as I have indicated above, not spectacular. For new constructions we are only providing 26 lakhs of which 8 lakhs are for the Jhudo-Pithoro Railway started in the current year : 8 lakhs for the Megna Bridge to improve communications between Bengal and Assam, a very long felt want—and 10 lakhs for the Madura-Karaikudi project in South India. This project has been given a high place by the Madras Government in their list of recommended lines, but before we start construction we propose again to consult the Madras Government. This was the procedure recommended for all new railway projects at the recent meeting of the Transport Advisory Committee. Another project, which we consider will prove to be remunerative, is the extension of the electrified service on the Bombay, Baroda and Central India Railway from Borivli to Virar. This will give a direct electric service from Virar into Bombay and should prove of very great benefit to the travelling public. 44 lakhs has been provided for the purchase of the Amritsar-Patti-Kasur Railway. This is expected to yield a return of $7\frac{1}{2}$ per cent. on the purchase price.

11. Of the balance, we propose to spend $4\frac{1}{2}$ crores on rolling stock. Of this, locomotives and boilers absorb about a crore, coaching stock about $1\frac{1}{4}$ crores and wagons $2\frac{1}{4}$ crores. The total number of wagons to be ordered amounts to slightly over 5,000. These are in replacement of wagons already scrapped or to be scrapped this year and are essential if we are to meet the needs of traffic. Track renewals are estimated to cost 5 crores, bridgework 1 crore, and other structural works $3\frac{3}{4}$ crores.

12. Sir, I have now to perform what to me is my most pleasant duty on this occasion, that is to bring to the notice of the Council the valuable services rendered during the past year to India by the Agents, officers and staff of our

great railway system. We at Headquarters can direct and advise, but when all is said and done the prosperity of the Railways is in the hands of those who have to deal with the thousand and one problems which arise from day to day. In detail these problems may be considered not of very great importance. In the aggregate, however, they make up the policy of a Railway, and its success and prosperity must depend on their proper settlement. How are they being dealt with by the Railways? I think the figures I have placed before the Council are a sufficient answer to this question.

Details of Voted and Non-Voted amounts included in the Demands for Grants (Railways) for the year 1935-26.

Number of demand.	Name of Demand.	Amount.		
		Voted.	Non-voted.	Total.
		Rs.	Rs.	Rs.
1	Railway Board	8,25,000	4,30,000	12,55,000
2	Audit	13,85,000	2,80,000	16,65,000
3	Miscellaneous expenditure . .	12,50,000	12,20,000	24,70,000
4	Refunds	12,00,000	..	12,00,000
5	Payments to Indian States and companies	3,46,25,000	..	3,46,25,000
6-A	Working expenses—Maintenance of structural works	8,65,25,000	33,55,000	8,98,80,000
6-B	Working expenses—Maintenance and supply of locomotive power	16,92,60,000	15,25,000	17,07,85,000
6-C	Working expenses—Maintenance of carriage and wagon stock	5,09,50,000	9,67,000	6,09,17,000
6-D	Working expenses—Maintenance of ferry steamers and harbours	28,70,000	28,000	28,98,000
6-E	Working expenses—Expenses of Traffic Department . .	10,74,20,000	18,35,000	10,92,55,000
6-F	Working expenses—Expenses of General Departments . .	4,73,40,000	25,55,000	4,98,95,000
6-G	Working expenses—Miscellaneous expenses	4,18,00,000	11,59,000	4,29,59,000
6-H	Working expenses—Electric Service Department	1,22,75,000	1,06,000	1,23,81,000
7	Working Expenses—Appropriation to Depreciation Fund	13,28,00,000	..	13,28,00,000
8	Interest charges	2,78,000	31,65,82,000	31,68,60,000
9	Temporary withdrawals from Depreciation Fund	1,89,50,000	..	1,89,50,000
10	Appropriation to Reserve . . . .	..	..	..
10A	Withdrawal from Reserve . . . .	..	..	..
11	New construction	26,00,000	..	26,00,000
12	Open Line Works	14,72,50,000	1,50,000	14,74,00,000

Appendix A—Working Expenses and other Revenue charges relating to Strategic Lines.

Appendix B.—Expenditure on Open Line Works relating to Strategic Lines.

BUDGET

of the

Railway Revenue and Expenditure of the Governor-General in Council, February, 1935.

RAILWAY DEPARTMENT;
New Delhi, 26th February 1935.

P. R. RAU,
Financial Commissioner of Railways

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1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1933-34				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings—						
Upper class . . .	3,10,98,000	..	...	3,10,98,000	3,01,00,000	..
Third class . . .	24,15,90,148	...	..	24,15,90,148	24,11,00,000	...
Other coaching traffic earnings.	4,81,60,263	...	..	4,81,60,263	4,83,00,000	..
Goods traffic earnings .	57,44,77,083	..	..	57,44,77,083	60,94,00,000	..
Sundry earnings . . .	1,57,28,976	2,513	—4	1,57,31,485	1,52,98,000	2,000
Credits for materials released from works chargeable to the Depreciation Fund .	1,17,26,009	..	..	1,17,26,009	97,00,000	..
TOTAL EARNINGS .	92,27,30,479	2,513	—4	92,37,83,988	95,38,98,000	2,000
Deduct—						
Refunds of Revenue collected	10,94,258	..	..	10,94,258	11,90,000	..
Earnings of worked lines	5,12,97,492	..	...	5,12,97,492	..	...
Earnings of State Railways	87,03,88,739	2,513	—4	87,03,91,238	95,27,08,000	2,000
Suspense . . .	—48,63,186	...	..	—48,63,186	50,00,000	..
Gross receipts of State Railways.	86,55,25,543	2,513	—4	86,55,28,052	95,77,08,000	2,000
Deduct—						
Working expenses of State Railways	60,72,61,823	48,06,090	—5,225	61,20,62,688	64,24,55,000	41,52,000
Surplus profits paid to Indian States and railway companies.	56,65,149	...	...	56,65,149	61,25,000	..
Payments to worked lines—						
(i) Net earnings	...	..	..	..	2,65,00,000	4,00,000
(ii) Subsidy, Rebate, etc.	...	...	..	..	13,60,000	..
Net receipts . . .	25,25,98,571	—48,03,577	5,221	24,78,00,215	28,12,68,000	—45,50,000
(b) Strategic lines—						
Gross receipts . . .	1,26,32,905	..	..	1,26,32,905	1,38,00,000	..
Deduct—						
Refunds of Revenue collected.	12,779	..	..	12,779	10,000	..
Working expenses . . .	1,85,03,153	...	..	1,85,03,153	1,87,00,000	..
Net receipts . . .	—58,83,027	...	..	—58,83,027	—54,10,000	..
Total net receipts, Commercial and Strategic lines.	24,67,15,544	—48,03,577	5,221	24,19,17,188	27,58,58,000	—45,50,000
XII.—Subsidiary Companies—						
Government share of surplus profits, etc.	17,26,179	1,02,072	—284	18,28,017	21,71,000	1,29,000
XII-A.—Miscellaneous Railway Receipts—						
(a) Commercial lines—						
Interest on Depreciation Reserve and Reserve Fund balances.	48,81,339	...	...	48,81,339	43,71,000	..
Dividend on investments in branch lines and other Miscellaneous Receipts.	12,87,506	...	...	12,87,506	25,00,000	..
(b) Strategic lines—						
Interest on Depreciation Fund balances.	8,39,853	..	...	8,39,853	9,21,000	..
TOTAL RECEIPTS .	25,54,50,421	—47,01,505	4,987	25,07,53,903	28,58,21,000	—44,21,000
XII-B.—Transfers from Railway Reserve Fund.	...	..	...	...	..	...
XII-C.—Withdrawal of sums deposited on account of the Railway Depreciation Fund.	7,96,33,325	...	..	7,96,33,325	4,23,76,000	...
TOTAL .	38,56,83,746	—47,01,505	4,987	38,03,87,228	32,81,97,000	—44,21,000

Government from Railways in India and England.

1934-35.		BUDGET ESTIMATE, 1935-36.					
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1934-35.	India.	England	Exchange.	TOTAL	Increase (+) Decrease (-) as compared with Revised, 1934-35.
Rs	Rs	Rs	Rs.	Rs.	Rs	Rs	Rs.
..	3,01,00,000	-3,00,000	3,06,00,000	..	..	3,06,00,000	+5,00,000
..	24,11,00,000	-80,00,000	24,30,00,000	..	..	24,30,00,000	+18,00,000
..	4,83,00,000	+2,15,000	4,87,00,000	..	..	4,87,00,000	+4,00,000
..	60,94,00,000	+2,34,00,000	63,91,00,000	..	..	63,91,00,000	+2,97,00,000
..	1,53,00,000	-17,00,000	1,57,88,000	2,000	..	1,58,00,000	+5,00,000
..	97,00,000	-24,00,000	97,00,000	..	..	97,00,000	...
..	98,69,00,000	+1,07,15,000	98,68,98,000	2,000	..	98,69,00,000	+3,30,00,000
..	11,90,000	+5,000	11,90,000	..	..	11,90,000	...
..
..	95,27,10,000	+1,07,10,000	98,57,08,000	2,000	..	98,57,10,000	+3,30,00,000
..	50,00,000	+50,00,000	..	..	..	..	-50,00,000
..	(a) 95,77,10,000	+1,87,10,000	98,57,08,000	2,000	..	(c) 98,57,10,000	+2,80,00,000
-7,000	(b) 94,66,00,000	+70,50,000	94,72,85,000	39,15,000	..	(d) 95,12,00,000*	+46,00,000
..	61,25,000	+5,25,000	56,00,000	..	..	56,00,000	-5,25,000
..	2,69,00,000	+5,00,000	2,70,00,000	4,00,000	..	2,74,00,000	+5,00,000
..	13,60,000	-30,000	13,30,000	..	..	13,30,000	-30,000
7,000	27,67,25,000	+76,65,000	30,44,93,000	-43,13,000	..	30,01,80,000	+2,34,55,000
..	1,38,00,000	+2,65,000	1,38,00,000	..	..	1,38,00,000	+5,00,000
..	10,000	-5,000	10,000	..	..	10,000	..
..	1,87,00,000	-7,80,000	2,06,00,000	..	..	2,06,00,000	+19,00,000
..	-54,10,000	+10,40,000	-68,10,000	..	..	-68,10,000	-14,00,000
7,000	27,13,15,000	+87,05,000	29,76,88,000	-43,13,000	..	29,38,70,000	+2,20,55,000
..	23,00,000	+1,50,000	19,74,000	1,26,000	..	21,00,000	-2,00,000
..	43,71,000	-7,65,000	48,59,000	..	..	48,59,000	+4,88,000
..	25,00,000	+5,30,000	28,00,000	..	..	23,00,000	-2,00,000
..	9,21,000	-15,000	9,66,000	..	..	9,66,000	+45,000
7,000	28,14,07,000	+88,02,000	30,77,82,000	-41,87,000	..	30,85,95,000	+2,21,68,000
..	4,28,76,000	-1,06,46,000	1,89,50,000	..	..	1,89,50,000	-2,34,26,000
7,000	32,37,83,000	-20,44,000	32,67,32,000	-41,87,000	..	32,25,45,000	-12,88,000

(a) Includes Rs 5,35,00,000, earnings of worked lines

(b) Includes Rs. 2,70,00,000 working expenses of worked lines

2.—Statement of the Expenditure on Railways charged to

HEADS OF EXPENDITURE.	ACCOUNTS, 1933-34.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways—						
(a) Commercial lines—						
Interest—						
on Government capital at charge	18,38,53,034	11,53,13,866	—1,40,965	29,85,24,925	17,93,59,000	11,28,90,000
on capital contributed by Indian States and Companies	3,53,576	1,25,19,398	—16,114	1,28,56,860	3,36,000	1,20,01,000
Total interest, commercial lines .	18,37,06,600	12,78,32,264	—1,57,079	31,18,21,785	17,96,95,000	12,48,91,000
(b) Strategic lines—						
Interest on capital at charge .	1,44,15,552	...	..	1,44,15,552	1,40,54,000	...
TOTAL INTEREST	19,81,22,152	12,78,32,264	—1,57,079	32,57,97,337	19,37,49,000	12,48,91,000
11. Subsidized Companies—						
Land	1,44,012	...	..	1,44,012	75,000	..
Subsidy	6,06,828			6,06,828	2,75,000	
12. Miscellaneous Railway expenditure—						
Commercial lines	26,50,552	11,65,612	—1,843	38,14,221	41,77,000	8,10,000
Strategic lines	24,230	...	..	24,230	25,000	..
Payments to general revenues—						
Contribution . . . . .	..	.	...	.	..	..
12A. Surplus Railway Revenue transferred to Railway Reserve Fund.	.	.	..	.	..
TOTAL	30,15,47,774	12,89,97,876	—1,58,422	33,03,87,228	19,83,01,000	12,57,01,000

the Revenue of the Central Government in India and in England.

1934-35			BUDGET ESTIMATE, 1935-36.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1934-35.	India.	England.	Exchange	TOTAL	Increase (+) Decrease (-) as compared with Revised, 1934-35.
Rs.	Rs	Rs	Rs	Rs.	Rs	Rs.	Rs
-1,96,000	29,20,53,000	-19,87,000	17,90,00,000	11,17,59,000	..	29,07,59,000	-12,94,000
-21,000	1,23,16,000	-84,000	3,15,000	1,19,01,000	..	1,22,18,000	-1,00,000
-3,17,000	30,43,69,000	-20,71,000	17,83,15,000	12,36,60,000		30,39,75,000	-18,94,000
.	1,40,54,000	-33,000	1,38,65,000			1,38,65,000	-1,69,000
-3,17,000	31,84,33,000	-20,94,000	19,32,00,000	12,36,60,000		31,68,60,000	-15,63,000
	75,000	+25,000	2,00,000		..	2,00,000	+1,25,000
	2,75,000	-35,000	2,95,000	.	.	2,95,000	+20,000
-2,000	49,55,000	+50,000	48,95,000	7,70,000	...	51,65,000*	+1,80,000
	25,000	+1,000	25,000		..	25,000	.
			
-2,19,000	32,37,88,000	-20,44,000	19,81,15,000	12,44,30,000		32,25,45,000	-12,38,000

* Rs. 10 reduced by the Legislative Assembly has not been restored by the Governor General in Council but the figure has been shown in the statement in round thousands as usual.

2(a).—Contribution from Railway to General Revenues, 1934-35.

(Based on actuals, 1932-33.)

	Rs	Rs.
1. 1 per cent. on capital of 7,22,45,01,134 at charge, commercial lines		7,22,45,011
2. (i) Receipts—Commercial lines—		
Gross traffic receipts	84,84,88,910	
Subsidised Companies' share of surplus profits	21,47,782	
Interest on Depreciation and Reserve Fund balances	65,44,272	
Dividend on investments in branch lines and other miscellaneous receipts . .	8,68,212	
(ii) Charges—Commercial lines—		85,80,42,176
Working expenses	60,95,59,088	
Indian States and Railway Companies' share of surplus profits	65,20,731	
Interest—		
on capital at charge	30,10,39,311	
on capital contributed by Indian States and Companies	1,33,87,944	
Land and subardy	5,54,652	
Miscellaneous railway expenditure	40,82,647	
Contribution at 1 per cent. on capital at charge	7,22,45,011	1,00,73,60,584
(iii) Deficit		15,43,18,408
(iv) Contribution of one-fifth of surplus . . . . .		..
3. (i) Total contribution from railway revenues [i.e. 2 (iv) ] . . . . .	..	7,22,45,011
Deduct—Loss on strategic lines borne by railway revenues—		
(a) Interest on capital	1,46,55,062	
(ii) Loss in working	55,64,692	
(iii) Interest on the amount of loss in working met from Depreciation Reserve Fund of Commercial lines.	5,80,087	2,07,79,841
(b) Net payment due from railway to general revenues in 1934-35 . . . .	..	5 14,65,170

2(a).—Contribution from Railway to General Revenues, 1935-36.

(Based on actuals, 1933-34.)

	Rs.	Rs.
1. 1 per cent. on capital of 7,20,70,41,616 at charge, commercial lines		7,20,70,416
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts	86,55,28,052	
Subsidised Companies' share of surplus profits	18,28,017	
Interest on Depreciation and Reserve Fund balances	48,81,339	
Dividend on investments in branch lines and other miscellaneous receipts	12,87,506	
(ii) Charges—Commercial Lines—		87,35,24,914
Working expenses	61,20,62,688	
Indian States and Railway Companies' share of surplus profits	58,65,149	
Interest—		
on capital at charge	29,85,24,925	
on capital contributed by Indian States and Companies	1,28,56,860	
Land and subsidy	7,50,840	
Miscellaneous railway expenditure	38,14,821	
Contribution at 1 per cent. on capital at charge	7,20,70,416	
		1,00,67,45,699
(iii) Deficit		13,23,20,785
(iv) Contribution of one-fifth of surplus		---
3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .	..	7,20,70,416
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital	1,44,15,552	
(ii) Loss in working	50,67,404	
(iii) Interest on the amount of loss in working met from Depreciation Reserve Fund of commercial lines	5,28,982	
		2,00,11,918
(ii) Net payment due from railway to general revenues in 1935-36	---	5,20,58,498

3.—Statement of Receipts of the Central Government in India and England for State

HEADS OF ACCOUNT	ACCOUNTS, 1933-34				REVISED ESTIMATE,	
	India.	England.	Exchange	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways	

4.—Statement of the Capital Expenditure of the

HEADS OF EXPENDITURE.	ACCOUNTS, 1933-34.				REVISED ESTIMATE,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue :—						
53 —Construction of State Railways :—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock . . .				—1,81,10,000		
Other Works . . .				1,56,94,840		
New Construction . .				22,55,000		
Suspense				—1,91,71,000		
Miscellaneous . . . .				.
Emergency deductions from pay				—5,24,000	...	..
TOTAL .	—3,04,33,009	1,05,87,739	—10,090	—1,98,55,360	5,00,000	1,50,00,000
(b) Strategic Lines—						
Open Line Works—						
Rolling Stock				—1,52,000		
Other Works				3,54,788		
New Construction . . .				845		
Suspense				—8,89,000		
Emergency deductions from pay.				—4,000		
TOTAL .	—6,89,369	...	.	—6,89,369	—5,00,000	...
TOTAL COMMERCIAL AND STRATEGIC LINES .	—3,11,22,378	1,05,87,739	—10,090	—2,05,44,729	..	1,50,00,000
53-C.—Discharge of Debentures . .	3,72,686	20,26,667	—3,512	23,95,841	...	40,00,000

Central Government in India and England on Railways.

1934-35.			BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (—) as compared with Budget, 1934-35.
Exchange.	TOTAL.		India	England	Exchange.	TOTAL	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	—25,05,000	—80,46,000				91,47,000	+1,16,52,000
	2,83,35,000	—1,83,88,000				4,52,03,000	+1,68,68,000
	25,10,000	+14,00,000				26,00,000	+90,000
	—98,50,000	—37,65,000				—69,00,000	+29,50,000
	—24,10,000	—24,10,000				44,00,000	+68,10,000
	—5,80,000	+1,24,000				—50,000	+5,30,000
	1,55,00,000	—3,19,85,000	3,44,00,000	2,00,00,000	..	5,44,00,000	+3,89,00,000
	—10,45,000	—7,45,000				—5,43,000	+5,02,000
	7,00,000	+1,79,000				14,43,000	+7,43,000

	—1,50,000	+7,50,000				—3,00,000	—1,50,000
	—5,000	+1,000					+5,000
...	—5,00,000	+1,85,000	6,00,000	..	-	6,00,000	+11,00,000
	1,50,00,000	—3,18,00,000	3,50,00,000	2,00,00,000		5,50,00,000	+4,00,00,000
—7,000	39,93,000	+39,93,000	.		...		—39,93,000

A—Railway Depreciation Reserve Fund.

	Accounts, 1933-34	Budget Estimate, 1934-35.	Revised Estimate, 1934-35	Budget Estimate, 1935-36		Accounts, 1933-34	Budget Estimate, 1934-35	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	12,06,31,913	11,79,10,913	9,49,83,152	10,99,07,152	Appropriation from Depreciation Reserve Fund.	16,12,66,706	14,00,22,000	12,23,76,000	11,89,50,000
Appropriation to Depreciation Reserve Fund.	13,56,47,945	13,65,00,000	12,73,00,000	13,23,00,000	Closing balance	9,49,83,152	11,43,88,913	10,99,07,152	12,67,57,152
TOTAL	25,62,69,858	25,44,10,913	22,22,83,152	24,27,07,152	TOTAL	25,62,69,858	25,44,10,913	23,22,83,152	24,27,07,152

B.—Railway Reserve Fund.

	Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.		Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	46,81,114	46,81,114	46,81,114	46,81,114	Appropriation from Re- serve Fund				..
Appropriation to Reserve Fund.					Closing balance.	46,81,114	46,81,114	46,81,114	46,81,114
TOTAL .	46,81,114	46,81,114	46,81,114	46,81,114	TOTAL .	46,81,114	46,81,114	46,81,114	46,81,114

Explanatory Memorandum of the Railway Budget for 1935-36.

PART I.

Commercial and Strategic Lines together.

Summary of Results

1933-34.

The actual financial results of Indian State Railways in 1933-34 were very close to our estimates. The total loss was 7.96 crores, as against the revised estimate of 7.78 crores. The difference was due entirely to the interest charges being 18 lakhs higher than anticipated. It must, however, be added that, owing to holidays at the end of the year, nearly half a crore of railway earnings in 1933-34 failed to be credited in the accounts during that financial year and consequently served to swell the receipts for the current year. But for this, the net results would have been better by half a crore.

The expenditure from the depreciation fund was 2 crores higher than anticipated, mainly as a result of more assets being scrapped without replacement and their original value charged off to the depreciation fund reducing the capital at charge correspondingly. The actual balance at the credit of the fund at the end of the year amounted to $9\frac{1}{2}$ crores. But for temporary loans, amounting to $22\frac{1}{2}$ crores, from the fund from 1931-32 onwards to cover deficits, the fund would have stood at 32 crores

1934-35.

2. Our present estimate of the financial results of working of Indian State-owned Railways during the current year is a crore better than our original anticipations. Instead of the deficit, originally anticipated, of $5\frac{1}{2}$ crores we now expect, owing to a greater improvement in our receipts, the smaller deficit of about $4\frac{1}{2}$ crores

The traffic receipts of State-owned lines are estimated at $90\frac{3}{4}$ crores, including the half crore transferred from last year to the current year. Though the earnings are really only about $3\frac{1}{4}$ crores better, this transfer has made the receipts nearly $4\frac{1}{4}$ crores in excess of the receipts in 1933-34. Though the receipts expected in 1934-35 are considerably in excess of receipts in the past three years, they will still be $4\frac{1}{4}$ crores less than in 1930-31 and 13 crores less than in 1928-29 when we earned $103\frac{3}{4}$ crores, which is our high water-mark up to the present.

Net traffic receipts after meeting working expenses, including depreciation, are expected to be 27 crores, about $3\frac{1}{4}$ crores above last year. Adding miscellaneous receipts and deducting miscellaneous expenditure, we estimate the total net revenues of all State-owned railways at over $27\frac{1}{2}$ crores—about 3 crores better than in 1933-34. Interest charges will be $\frac{3}{4}$ crore lower and the net deficit will be $4\frac{1}{4}$ crores or $3\frac{3}{4}$ crores less than in 1933-34. This result is better than any we have had since 1930-31 when our era of deficits began.

The deficit on commercial lines alone will be 2.39 crores, or less than half the deficit last year which was 6 crores.

The expenditure on renewals and replacements chargeable to the depreciation fund is expected to be 8 crores, or $5\frac{3}{4}$ crores less than the contribution from revenues to the fund. As the deficit which will be met by borrowing from the fund is $4\frac{1}{4}$ crores, the net result will be that the actual balance in the fund, which was $9\frac{1}{2}$ crores at the beginning of the year, will be increased by $1\frac{1}{2}$ crores and will amount to 11 crores at the end of the year.

1935-36.

3. The year 1934-35 has shown a steady improvement over the results of the previous year. We hope that this improvement will continue and that we may expect a similar increase next year. If our expectations are realised the total loss (including the loss on strategic lines) should be reduced to less than 2 crores.

Gross traffic receipts of all State-owned lines are estimated at $93\frac{1}{2}$ crores. This is nominally $2\frac{3}{4}$ crores in excess of the current year's receipts, but really $3\frac{1}{4}$ crores, if we allow for the adventitious half crore that was added to our current year's receipts. It is, however, still $1\frac{1}{2}$ crores below the receipts of 1930-31, the first of our deficit years. As the cut in pay is not to continue, the working expenses will be increased by 92 lakhs. Allowing for this, and for a reduction of about 45 lakhs in the contribution towards depreciation mainly as the result of the new procedure which we are adopting with the concurrence of the Standing Finance Committee for Railways and the Public Accounts Committee, the net receipts in 1935-36 are estimated at 29 crores, over 2 crores above the corresponding figure in the current year. Miscellaneous net receipts and interest charges remain practically unchanged, and the final result is, so far as we can foresee, likely to be a deficit of 1.90 crores—an improvement of more than $2\frac{1}{4}$ crores on this year's result.

If commercial lines alone are taken into consideration, the result is a small surplus of 7 lakhs.

The appropriation to the depreciation fund during 1935-36 will be $13\frac{1}{4}$ crores. The withdrawals to meet the cost of renewals and replacements during the year will amount to $9\frac{1}{2}$ crores. The net accretion to the fund during the year will, therefore, be $3\frac{3}{4}$ crores and the balance at the end of the year after the temporary withdrawal of about 2 crores to meet the deficit will amount to slightly under 13 crores. The nominal balance will be nearly $41\frac{1}{2}$ crores, out of which $28\frac{1}{2}$ crores will have been withdrawn to meet the deficits in the five years 1931-32 to 1935-36 inclusive.

4. The following table compares certain important financial statistics for 1934-35 and 1935-36 with those for 1932-33 and 1933-34 which will, we believe, be found interesting as indicating clearly the gradual and steady improvement in railway results.—

	Accounts		Estimates.	
	1932-33.	1933-34	1934-35	1935-36.
Percentage of net traffic receipts to Capital-at-charge . . .	2.7	3.0	3.4	3.6
Percentage of Working Expenses (including depreciation) to gross traffic receipts . . .	74.4	72.8	70.3	68.9
Percentage of Working Expenses (excluding depreciation) to gross traffic receipts . . .	58.1	57.1	55.2	54.7

5 The extent of the real improvement in the results we estimate in 1934-35 and 1935-36 can be realised more vividly by comparing the figures of traffic receipts and ordinary operating expenses (exclusive of depreciation) in these years with those of 1929-30, which was the last year in which Railways earned a surplus and 1932-33, the worst year of the depression. The figures shown in the next page do not lend themselves directly to such a comparison by reason of various changes in accounting and other special disturbing factors in each of these years. We do not propose to burden this narrative by a lengthy description of these changes, but will give a brief recital of the more important of these in an appendix for those who are interested in such details. Making allowance for these abnormal features, however, the figures for these years will stand as in the statement below. It is important, however, to note that in the figures no attempt has been made to allow for fluctuations in receipts due to changes in fares or freight rates, or for ordinary variations in expenditure due to changes in the price level, such as the cost of coal and necessary stores, or variations in payments to staff, such as wages and gratuities.

(In lakhs of rupees)

	Traffic receipts	Operating expenses.	
		(Excluding cut in pay)	(Including cut in pay)
1929-30	1,03,36	57,03	57,03
1932-33	84,11	50,40	48,47
1933-34	87,13	50,28	49,21
1934-35	90,25	50,95	49,95
1935-36	93,50	51,08	51,00

The above statement shows that while the receipts next year are expected to be 10 crores lower than 1929-30, the working expenses are 6 crores lower ; on the other hand, while they are nearly $9\frac{1}{2}$ crores higher than in 1932-33, the expenses are only about $\frac{2}{3}$ crore higher. Looked at in either way, it shows the magnitude of the efforts made by Indian Railways to cut down expenses in order to meet the situation resulting from the economic depression

Review of financial results from 1924-25.

6. Before we pass on to the detailed estimates for 1934-35 and 1935-36, we propose, as in previous years, to give very briefly the main outlines of the results of these years as compared with earlier years since the separation of the railway budget. The statement on the next page gives in concise form the salient features of these years.

Commercial and Strategic lines together.

(Figures in lakhs of rupees.)

		1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.
		M.	M.	M.	M.	M.	M.	M.	M.	M.	M.	Revised Budget	Esti- mate.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Mileage	{ State-owned	26,985	27,090	27,664	28,086	29,111	30,878	31,197	31,640	31,642	31,644	31,644	31,714
	{ Worked lines	7,452	7,622	7,484	7,517	7,654	6,640	6,806	6,803	6,907	6,654	6,654	6,654
Gross traffic receipts.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Operating expenses	{ State-owned	1,00,13	98,94	98,42	1,03,43	1,03,73	1,02,70	95,10	86,63	84,43	86,63	90,75	93,50
	{ Worked lines	7,34	7,12	6,77	7,18	7,27	6,47	4,99	5,07	4,86	5,13	5,35	5,45
Depreciation Fund		3,70	3,57	3,33	3,53	3,63	3,30	2,66	2,63	2,49	2,60	2,70	2,75
Payments to worked lines		10,35	10,67	10,89	11,38	12,00	12,59	13,07	13,46	13,77	13,56	13,73	13,98
Net Traffic receipts (State lines.)		3,64	3,55	3,44	3,66	3,64	3,17	2,33	2,44	2,37	2,53	2,65	2,70
		38,13	36,28	34,64	38,99	37,51	34,52	27,64	23,86	21,58	23,57	26,92	29,07
Net Miscellaneous receipts after deducting miscellaneous charges and surplus profits payable to companies.		-1,07	-1,19	-1,27	-87	-37	-2	-11	1	1,10	1,05	68	72
Net revenue		37,06	34,09	33,37	38,12	37,14	34,50	27,53	23,87	22,68	24,62	27,60	29,79
Interest charges		23,90	24,81	26,87	27,27	29,33	30,46	32,72	33,07	32,91	32,58	31,84	31,69
Surplus		13,16	9,28	7,50	10,85	7,81	4,04	-5,19	-9,20	-10,23	-7,96	-4,24	-1,90
Paid as contribution to general revenues.		6,78	5,49	6,01	6,28	5,23	6,12	5,74	..	..	..	..	..
Transferred to railway reserve.		6,38	3,79	1,49	4,57	2,58	-2,08	-10,93	-4,95	..	..	..	..

NOTE 1.—The balance of the loss in 1931-32 and the total loss in the following years have been, or will be, met by temporary borrowings from the Depreciation Fund.

NOTE 2.—Credits for material released from works not charged to revenue were taken in reduction of operating expenses up to 1931-32. From 1932-33 onwards they have been added to receipts and are included in net miscellaneous receipts.

7. In Chapter II of Volume I of the Railway Board's report on Indian Railways for 1933-34, the results of the first decade have been summarised concisely as follows :—

“ Of the 10 years, the first six were prosperous years and the next four the reverse, but on the whole the net result of working of the State-owned railways in India during these years was a surplus of 20 crores and an accumulated balance in the Depreciation Fund of 32 crores.

“ Under the Separation Convention of 1924, railways assumed a liability to make a contribution to general revenues, which amounted on the average, during the 7 years in which it was paid, to a net payment of 6 crores a year. They made this payment from current surpluses in the first 5 years ; in the 6th year partly from the year's surplus and partly from previously accumulated reserves ; and in the 7th wholly from the latter source. In the last three years, they were unable to make any contribution. The total amounts paid during the period were 42 crores or 22 crores in excess of the total surplus during the period. This amount of 22 crores was borrowed from the Depreciation Fund. Consequently at the end of the decade the actual reserves with the Railways amounted to 10 crores ; of which half a crore is invested in securities on behalf of the Railway Reserve Fund and 9½ crores is the balance of the Depreciation Reserve.”

8. So far as we can judge at present, the era of deficits ushered in by 1930-31 will continue during the current year and the next, and the first six surplus years after separation will probably be counterbalanced by six deficit years.

If our expectations for 1934-35 and 1935-36 prove reasonably correct, the net result of working of Indian State Railways (commercial and strategic) in twelve years of mixed fortunes will be, on the whole, a small surplus of 14 crores and an accumulated balance in the Depreciation Fund of, nominally, 41½ crores—or 55½ crores in all. As, however, during the first seven years of the period, railways paid 42 crores as a contribution to general revenues, this large credit balance will have dwindled to 13½ crores, of which half a crore is invested on behalf of the Railway Reserve Fund, and 13 crores will be the actual balance of the Depreciation Reserve.

At the end of 1935-36, the total contributions to general revenues remaining unpaid during the 5 years beginning with 1931-32 will amount to about 26 crores. Under existing arrangements, Railways are liable to pay these arrears when they begin earning surpluses, after the loans amounting to about 28½ crores from the depreciation fund have been repaid, and before they can again begin to accumulate reserves.

PART II.

Commercial Lines.

9. Before we proceed to deal with the estimates for 1934-35 and 1935-36 in detail, it will we think, be found interesting if we are to compare our estimates of the final results of these years with the results of the three previous years. In all these years, railways have been (nominally) paying, into a depreciation reserve fund, sums varying from 4 to 7 crores in addition to the amounts required for actual renewals and replacements in the year, though they have simultaneously been withdrawing from the fund large sums to meet interest charges. The table below gives the salient figures and shows the results both as they appear in our accounts with full provision made for accrued depreciation, and as they would appear if only the amounts required for actual renewals and replacements had to be met from revenue. In the former case, except for 1935-36 which is expected to show a very small surplus, all the years result in large deficits but, in the latter case, the last two years would show substantial surpluses amounting to nearly 7 crores in all.

Commercial Lines.

(In lakhs of rupees.)

	1931-32	1932-33	1933-34	1934-35. (revised estimate).	1935-36 (budget estimate.)
Gross traffic receipts	85,31	83,20	85,39	89,45	92,15
Ordinary Working expenses	49,62	47,62	47,94	48,66	49,66
Depreciation { Actual expenditure on renewals and replacements de- bitable to the Fund	7,98	6,11	7,91	7,75	9,01
Additional allotment to depreciation reserve	5,05	7,22	5,22	5,55	3,70
Total working expenses	62,65	60,95	61,07	61,96	62,37
Net traffic receipts	22,66	22,25	24,32	27,49	29,78
Net Miscellaneous receipts	1,68	98	81	56	59
Net revenue	24,34	23,23	25,13	28,05	30,37
Interest charges	31,58	31,44	31,14	30,44	30,30
Gain + or Loss — (After meeting full depreciation)	—7,24	—8,21	—6,01	—2,39	+7
Gain + or Loss — (if only actual cost of renewals and replace- ments were charged)	—2,19	—99	—79	+3,16	+3,77

1934-35.

10. This is the first of recent years in which we have the satisfaction of finding our revised estimate of receipts distinctly better than our original estimate. Though our working expenses are also, and naturally, above earlier anticipations, our revised estimate of net receipts is a crore more than the budget estimate, and our net loss, after meeting full depreciation and interest charges, is reduced to 2·39 crores—95 lakhs better than our original forecast.

11. The principal figures of the revised estimate for 1934-35 (showing state-owned and worked lines separately) are compared in the statement below with the budget estimate as well as with the corresponding figures for 1933-34.

Commercial Lines.

(In lakhs of rupees.)			
Particulars.	Accounts, 1933-34.	1934-35.	
		Budget.	Revised.
<i>Traffic receipts.</i>			
Gross traffic receipts (deducting refunds)—			
{ State lines	85,39	87,74	89,45
{ Worked lines	6,20	5,25	5,35
Total Working expenses (including depreciation)—			
{ State lines	61,07	61,30	61,86
{ Worked lines	2,65	2,65	2,70
Net receipts of worked lines payable to them	2,55	2,60	2,65
A—Net traffic receipts (State lines)	24,32	26,44	27,49
<i>Miscellaneous.</i>			
Total Miscellaneous Receipts	2,09	2,13	1,89
Total Miscellaneous Expenditure	1,28	1,27	1,33
B—Net Miscellaneous receipts	81	86	56
Net railway revenue (A+B)	25,13	27,30	28,05
Interest charges	31,14	30,64	30,44
Loss	6,01	3,34	2,39

Traffic receipts.

12. Traffic receipts of State-owned lines in 1934-35 are expected to be 4 crores higher than in 1933-34. As mentioned already, this increase is, to

Gross traffic receipts. the extent of a crore, adventitious, being due to the holidays at the end of March 1934 throwing forward to the accounts of the current year half a crore of earnings that really pertained to the last year. The real increase amounting to 3 crores is purely due to the revival in goods traffic which began last year and has luckily continued more or less steadily through the current year. Passenger earnings are still showing a downward tendency, though the decrease is comparatively small, and it looks as if we are nearing a turning point and may reasonably expect a change for the better. The details of our estimates are as follows :—

Commercial Lines.

(In lakhs of rupees)

Particulars.	Accounts, 1933-34.	1934-35.	
		Budget.	Revised.
Passenger earnings	27,30	28,00	27,12
Other coaching traffic earnings	4,83	4,81	4,83
Goods earnings	57,49	58,60	60,94
Other earnings	1,58	1,70	1,53
Suspense	—49	..	50
Total	90,71	93,11	94,92
Refunds of revenue	—12	—12	—12
	90,59	92,99	94,80
Share of worked lines	5,20	5,25	5,35
Receipts of State-owned lines	85,39	87,74	89,45

13. Our anticipations of an increase in passenger earnings have unfortunately proved too optimistic, and instead of the small increase that we expected, we can hardly expect to reach last year's figure. There has however been an

Passenger earnings.

increase in the number of passengers carried in the first seven months over the corresponding period of last year, which is particularly encouraging as it coincides with an appreciable increase in the lead per passenger. In numbers, there is an increase of $4\frac{1}{2}$ million ($1\frac{1}{2}$ per cent) from 282½ to 287 million. The lead is $34\frac{1}{2}$ miles instead of 32. The total number of passenger miles has increased by 9 per cent., from 9,024 million to 9,852 million. The passenger miles are nearly what they were in 1932-33, but the earnings still lag behind, though the expenses for carrying the traffic must have increased, as there is an increase of $1\frac{1}{2}$ per cent. in passenger train miles.

The above results are presumably due at least in part to the experimental reductions in fares made by Railways. In last year's memorandum we referred to the revision of 3rd class fares on the North Western Railway involving a reduction of half a pie per mile in the first 50 miles, and of a quarter pie in the next 250 miles, and an enhancement of half a pie thereafter. During the twelve months after this revision, there was an increase of nearly 6 million (11 per cent.) in the number of passengers carried but a decrease of 4 lakhs (1 per cent) in earnings, as compared with the previous twelve months. The figures are being analysed in detail by zones to ascertain whether the reduction in fares can be considered as justified by results and what, if any, modifications are necessary.

A similar experiment has also been made on the Great Indian Peninsula Railway where 3rd class fares have been revised from 1st April 1934. Broadly speaking, this has involved a reduction of $1\frac{1}{2}$ pies per mile by mail and $\frac{1}{2}$ a pie by ordinary trains for distances between 51 and 150 miles and an enhancement of $\frac{1}{2}$ a pie by mail and 1 pie by ordinary trains for over 300 miles. The distinction between mail and ordinary fares has been abolished in through booking with foreign railways and this has effected a considerable reduction in mail fares.

Third class return tickets at $1\frac{1}{2}$ fares, available for 2 to 18 days according to distance, have been introduced on the Eastern Bengal Railway as an experiment.

14. We now anticipate an increase in goods earnings of nearly $3\frac{1}{2}$ crores, as compared with last year and $2\frac{1}{4}$ crores as compared with the budget. The total tonnage carried during the first seven months of the year has increased from 51 million to $57\frac{3}{4}$ million—a rise of over 13 per cent. The average lead has also increased slightly from 191 to 193 miles, and the ton miles between April and October amount to 11,138 million, against 9,715 million last year, an improvement of over $14\frac{1}{2}$ per cent. The additional traffic has been carried without a corresponding increase in expense. The increase in goods train mileage is less than 4 per cent.

The figures of wagons loaded on all class I Railways to about the end of January tell the same tale. With the exception of oil seeds, where there has been a decrease of about 4 per cent., there has been a general increase. The total number showed an increase of 325,000 or 6 per cent. The largest increases were 91,000 (12 per cent.) under coal and coke; 52,000 ($8\frac{1}{2}$ per cent) under grain and pulses; 13,000 (11 per cent.) under cotton. Miscellaneous full wagons showed an increase of 112,000, or nearly 6 per cent., and smalls of 40,000 or 3 per cent.

Working Expenses.

15. In the statement below is given in detail the revised estimate of working expenses compared with the budget and the expenditure of the previous year :

Commercial Lines.

(In lakhs of rupees)

Particulars.	Accounts, 1933-34.	1934-35.	
		Budget.	Revised.
A.—Maintenance of structural works	8,45	8,61	8,67
B.—Maintenance of supply and locomotive power	16,36	16,41	16,47
C.—Maintenance of carriage and wagon stock	5,67	5,69	5,87
D.—Maintenance of ferry steamers and harbours	31	28	32
E.—Expenses of traffic department	10,57	10,53	10,68
F.—Expenses of general departments	4,72	4,80	4,77
G.—Miscellaneous expenses	4,42	4,18	4,32
H.—Electric service department	1,21	1,21	1,23
Suspense	—8	..	..
Total	51,63	51,71	52,33
Emergency deductions from pay	—1,04	—98	—97
Total ordinary working expenses	50,59	50,73	51,36
Depreciation	13,13	13,22	13,30
Total working expenses	63,72	63,95	64,66
Recoveries from worked lines	—2,65	—2,65	—2,70
Net working expenses of State-owned lines	61,07	61,30	61,96

16. Excluding emergency deductions from pay, the total ordinary working expenses of the main railway systems (including worked lines) during 1934-35 are now expected to be 70 lakhs higher than in 1933-34, and 62 lakhs more than the Budget.

The additional expenditure of 70 lakhs as compared with 1933-34, is mainly due to heavier repairs to permanent way, buildings, rolling stock and equipment than in the previous year. As has been pointed out by us in previous years, a considerable part of the reductions in expenditure effected during the years beginning with 1931-32 were in the nature of postponement of such expenditure as could be put off for a time without immediate risk. Obviously this cannot go on for ever, and the time has now arrived for arrears of repairs and maintenance to be taken up and proceeded with in earnest. The total increase in 1934-35 on account of heavier repairs than during the past year amounts to nearly half a crore. Next comes the increase on account of normal increments to staff. This has been masked in the last few years by savings due to discharges of staff. With the cessation of retrenchment, and the reduction of staff to correspond to the smaller volume of business, an annual increase in the cost of staff is an inevitable result of the incremental scales of pay in force. In 1934-35 moreover, the expanding traffic has necessitated increases in temporary staff to handle it, and in addition larger purchases of coal and other stores though the expenditure on this account has to

a certain extent been checked by a generally lower level of prices. The total train mileage during the first seven months of the year has exceeded the train mileage during the corresponding period of last year by about 4 per cent. Finally unanticipated accounts adjustments during the year have added 20 lakhs to the expenditure as against 10 lakhs due to similar causes in 1933-34. This increase of 10 lakhs is almost entirely counterbalanced by a fall in gratuities marking a return to normal figures with the cessation of retrenchments of staff.

17. The appropriation to the Depreciation Fund is 17 lakhs higher than in the previous year, and 8 lakhs more than the budget estimate. It includes a special payment of 11 lakhs to cover arrear contributions on account of the Bhopal Ujjain Railway, which had, through oversight, not been made from the inception of the Fund.

Miscellaneous.

18. Net miscellaneous receipts are now expected to be 25 lakhs less than last year mainly as a result of a reduction in the credits for materials returned from works of renewals or replacements, which are not charged to revenue.

The details are given in the statement below which is self explanatory—

(In lakhs of rupees.)

Particulars.	1933-34	1934-35.	
	Accounts.	Budget.	Revised.
<i>Miscellaneous Receipts.</i>			
Credits for materials returned from works not charged to revenue	1,17	1,21	97
Government share of profit from subsidised companies, guarantees from local Governments, etc	18	21	23
Interest on Depreciation and Reserve Fund balances	49	51	44
Dividends on investment in branch lines and other miscellaneous receipts	13	8	13
Receipts from Railway Companies for supervision, audit and control	12	12	12
Total Miscellaneous Receipts	2,09	2,13	1,89
<i>Miscellaneous Expenditure.</i>			
Surplus profits payable to Indian States and Railway Companies	56	56	61
Rebate, subsidy and rental	18	18	18
Miscellaneous charges	54	53	54
Total Miscellaneous Expenditure	1,28	1,27	1,33
Net Miscellaneous receipts	81	86	56

19. Interest charges are now expected to be 70 lakhs below last year, and 20 lakhs less than the budget. The latter is due to our capital expenditure during the year being less than originally provided for and the former to this cause as well as to a fall from 5.43 per cent. to 5.20 per cent. in the rate of interest charged on railway capital expenditure after 1916-17 which is the average

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rate of interest on Government borrowing during the period and has fallen with the fall in the rate at which Government have been able to borrow in recent years.

1935-36.

Commercial Lines.

20. If our estimates prove correct, 1935-36 will be the first of recent years in which commercial lines will be able to pay full interest charges, after meeting the total accrued depreciation. With an increase of $2\frac{3}{4}$ crores in receipts, and of half a crore in working expenses, as compared with the previous year, net revenues will be $30\frac{1}{2}$ crores against 28 crores in 1934-35. This will be just more than enough to pay our interest charges in which a slight fall is expected in 1935-36. The expected surplus of 7 lakhs, though negligible in itself, is yet of importance as clearly signifying the turn of the tide.

21. The important figures of the estimates for 1935-36 are given below with those for the two previous years for comparison.

Commercial Lines.

	(In lakhs of rupees.)		
	Accounts, 1933-34.	Revised estimate, 1934-35.	Budget estimate, 1935-36.
<i>Traffic receipts.</i>			
Gross traffic receipts (deducting refunds)—			
{ State lines	85.39	89.45	92.15
{ Worked lines	5.20	5.35	5.45
Total working expenses including depreciation			
{ State lines	61.07	61.96	62.37
{ Worked lines	2.65	2.70	2.75
Net receipts of worked lines payable to them.	2.55	2.65	2.70
A—Net traffic receipts (State lines) . . .	24.32	27.49	29.78
<i>Miscellaneous.</i>			
Total Miscellaneous Receipts	2.09	1.89	1.89
Total Miscellaneous Expenditure	1.28	1.33	1.30
B—Net Miscellaneous receipts	81	56	59
Net railway revenue (A + B)	25.13	28.05	30.37
Interest charges.	31.14	30.44	30.30
Gain + Loss —	—6.01	—2.39	+7

Traffic Receipts.

22. Our estimates of traffic receipts in 1935-36 are based on the assumption that our experience this year justifies a hope that we can confidently expect a further gradual improvement in traffic and a steady, though slow, return to more prosperous conditions. Against the earnings of 89 crores from commercial State-owned lines during 1934-35 (excluding the adventitious half crore previously referred to) we are hoping for slightly over 92 crores—an increase of somewhat more than 3 crores or $3\frac{1}{2}$ per cent. This increase is practically the same as we expect to get this year over 1933-34. As 1936 is a leap year, we can expect an addition of about a quarter of a crore in earnings but this will be practically counter balanced by a decrease in receipts from coal as a result of the reductions we are making in freights. As a mark of our confidence in the gradual improvement in trade conditions, it has been decided that, since railways are just able to look forward to a surplus, however negligible, during the coming year, we should be justified in making a reduction in coal freights, though, consistently with our present financial position, the reduction can only be small. From the beginning of the next financial year, the existing surcharge of 15 per cent. will be reduced to $12\frac{1}{2}$ per cent. In view, moreover, of various strong representations made to us that a percentage surcharge bears particularly hardly on long distance traffic, it has further been decided to subject the reduced surcharge to a maximum of Re. 1 per ton, so that the surcharge on all distances above 700 miles will be the same. It is estimated that this reduction will, in the event of there being no increase in traffic resulting from it, involve a loss in earnings of about 30 lakhs, of which over 20 lakhs will be in freight on coal for the public.

23. The details of our estimates of receipts are given below. It will be observed that we are allowing for a very small increase in passenger earnings in the belief that the continual deterioration in the past few years will soon be arrested, and that we are pinning our faith mainly on a further increase in goods traffic.

Commercial Lines.

(In lakhs of rupees.)

Particulars.	Accounts, 1933-34.	Revised estimate, 1934-35.	Budget estimate, 1935-36.
Passenger earnings	27,30	27,12	27,36
Other coaching traffic earnings	4,83	4,83	4,87
Goods earnings	57,49	50,94	63,91
Other earnings	1,58	1,53	1,58
Suspense	—49	50	..
Total	90,71	94,92	97,72
Refunds of revenue	—12	—12	—12
	90,59	94,80	97,60
Share of worked lines	5,20	5,35	5,45
Receipts of State-owned lines	85,39	89,45	92,15

Working Expenses.

24. The estimates of working expenses are compared in the following statement with previous years.

Commercial Lines.

	(In lakhs of rupees.)		
	Accounts, 1933-34.	Revised estimate, 1934-35.	Budget estimate, 1935-36.
A. Maintenance of structural works	8,45	8,67	8,61
B. Maintenance and supply of locomotive power	16,36	16,47	16,56
C. Maintenance of carriage and wagon stock	5,67	5,87	5,93
D. Maintenance of ferry steamers and harbours	31	32	29
E. Expenses of Traffic Department	10,57	10,68	10,73
F. Expenses of General Departments	4,72	4,77	4,86
G. Miscellaneous Expenses	4,42	4,32	4,22
H. Electric Service Department	1,21	1,23	1,24
Suspense	—8	..	..
	51,63	52,33	52,49
Emergency deductions from pay	—1,04	—97	—8
Total ordinary working expenses	50,59	51,36	52,41
Depreciation	13,13	13,30	12,71
	63,72	64,66	65,12
Total working expenses	—2,65	—2,70	—2,75
Recoveries from worked lines			
Working expenses of State owned lines	61,07	61,96	62,37

25. The total ordinary working expenses, excluding depreciation and neglecting the emergency deductions from pay, are expected to be 16 lakhs higher than in 1934-35. At first sight this is an inadequate increase, seeing that we expect an increase of $3\frac{1}{4}$ crores in receipts. But if we allow for the fact that the current year's expenditure includes 20 lakhs of special accounts adjustments, the real increase is 36 lakhs. Again, in 1935-36, we are expecting a further reduction of 10 lakhs in gratuities as we are coming back to normal conditions in regard to retrenchment. We have been able to purchase coal at a slightly cheaper rate and the reduction in freights will decrease working expenses to some extent. Finally, our new contract for oil fuel is at much cheaper rates. These factors, taken together, represent a saving of round about 20 lakhs in our fuel bill. The total real increase in 1935-36 according to our estimate would be in the neighbourhood of 66 lakhs corresponding to an increase of $3\frac{1}{4}$ crores in receipts.

The estimate includes a special provision of 10 lakhs for the cost of reconditioning 1,000 wagons which we are undertaking as an experiment in the Tata-nagar Workshops. These wagons, though only between 25 and 30 years in service have been found very uneconomical in running, and we have to make a choice between scrapping them entirely a long time before the expiry of their normal life and making extensive repairs, such as fitting new underframes, etc. If the latter does not cost too much it will be a sounder financial proposition than scrapping them and purchasing new wagons instead.

For the rest, the estimate includes expenditure on repairs and maintenance of permanent way and rolling stock on about the same scale as during the present year; it allows for additional ballast where required; and it provides for the consumption of larger quantities of coal and the employment of more staff to deal with the expected increase in traffic.

As it has been decided that the cut in pay, originally imposed for 16 months in December 1931 and retained on a reduced scale for the two years 1933-34 and 1934-35, will not be continued beyond the end of March 1935, the recoveries shown as 'Emergency deductions from pay' during 1935-36 will accrue only in April, representing the deductions made in salaries and wages for March 1935. They are estimated at 8 lakhs

26. With the concurrence of the Standing Finance Committee for Railways and the Public Accounts Committee, it is proposed to simplify the calculation of the amount to be provided for depreciation. Instead of the elaborate calculations under the previous procedure based on the expenditure incurred year by year—depending for this purpose on data of doubtful accuracy—it is proposed that the amount to be set aside annually to cover depreciation of our total assets should be $\frac{1}{60}$ th of the capital at charge at the end of the previous year. This fraction is the nearest simple fraction calculated to give results approximately equal to the results of the previous complicated procedure.

MISCELLANEOUS.

27. The table below gives the necessary details. They differ so little from the current year that explanations are unnecessary. Of the increase of 3 lakhs in 'miscellaneous charges', half is due to the cessation of the pay cut, and the greater part of the balance to increased provision for land for branch line companies mainly, due to the necessity to provide a landing ghat for the Sara Serejgunj Railway. As a matter of interest, it may be added that it is proposed to put the Central Standards office, which was sanctioned temporarily for 5 years in 1930, on a permanent basis and to add to its capacity for usefulness by a slight increase in staff and the provision of an annual grant for research. The amount provided for research in 1935-36 is half a lakh.

MISCELLANEOUS.	(In lakhs of rupees)		
	Accounts, 1933-34	Revised estimate, 1934-35.	Budget estimate, 1935-36.
<i>Receipts.</i>			
Credits for material returned from works not chargeable to revenue	1,17	97	97
Share of surplus profits from branch line companies	18	23	21
Interest on depreciation and reserve fund balances	49	44	48
Dividends on investments	13	13	11
Receipts from railway companies for supervision, audit and control	12	12	12
Total	2,09	1,89	1,89
<i>Expenditure</i>			
Surplus profits paid to companies and Indian States	56	61	56
Rebates, subsidies and rentals	18	18	17
Miscellaneous charges	54	54	57
Total	1,28	1,33	1,30
Net miscellaneous receipts	81	56	59

28. A further fall (from 5.20 per cent. to 5.08 per cent.) in the average rate of interest charged on capital outlay after 1916-17 will more than counterbalance the increase due to additional capital, and the net result is a reduction of 14 lakhs

PART III.

Strategic Lines.

29. The statement below gives the relevant figures.

(In lakhs of rupees.)

Particulars.	Accounts 1933-34.	1934-35.		Budget estimate, 1935-36.
		Budget.	Revised.	
Gross traffic receipts	1,24	1,26	1,30	1,35
Working expenses	1,45	1,54	1,47	1,49
Emergency deductions from pay . .	—3	—2	—3	.. (a)
Depreciation	43	43	43	57
Total Working Expenses .	1,85	1,95	1,87	2,06
A—Net traffic receipts	—61	—69	—57	—71
<i>Miscellaneous Receipts.</i>				
Credits for material returned from works not charged to revenue	2	4	3	3
Interest on balances of Depreciation Fund	8	10	9	10
Total .	10	14	12	13
<i>Miscellaneous Expenses.</i>				
..(a)	..(a)	..(a)	..(a)	..(a)
B—Net miscellaneous receipts . .	10	14	12	13
Net revenue (A+B)	—51	—55	—45	—58
Interest charges	1,44	1,41	1,40	1,39
Net loss in working .	1,95	1,96	1 85	1,97

The only important variation is the increase in the amount set aside for depreciation in 1935-36. This is due to the revised method of calculation already explained.

(a) Less than half a lakh.

PART IV.

Works expenditure not charged to revenue.

1934-35.

30. Our works programme for the current year was expected to cost 14 crores, of which 70 lakhs was expected to be found from stores in stock, leaving a cash expenditure of $13\frac{1}{2}$ crores, of which $4\frac{3}{4}$ crores was to be an addition to capital and the balance to be met from the Depreciation Fund. We now expect that our total net expenditure in cash will be $9\frac{1}{2}$ crores, allowing for a reduction of a crore in stores balances, and unexpected receipts totalling $\frac{1}{2}$ crore owing to (a) repayment by the Mymensingh Bhairab Bazaar Railway Company of 20 lakhs lent it in earlier years and (b) the sale of the Government interest in the Palanpur Deesa Railway to the Palanpur Durbar for 4 lakhs. Of the total, 25 lakhs will be required for new lines, the most important of which is the Jhudo-Pithoro line for which funds were sanctioned by the Assembly in August last. On open line improvements we expect to spend $9\frac{1}{2}$ crores, of which we estimate 8 crores will be debited to the Depreciation Fund as representing the original cost of wasting assets renewed or replaced or scrapped without replacement.

1935-36.

31. For 1935-36, our programme provides for a total expenditure of $15\frac{1}{2}$ crores, against $10\frac{3}{4}$ crores in the current year. Allowing for a further reduction of $\frac{3}{4}$ crore in stores balances which, if this estimate proves correct, will be reduced to $8\frac{1}{2}$ crores at the end of the year, the actual cash outlay will be 15 crores. Of this amount, $9\frac{1}{2}$ crores will be found from the depreciation fund; and the balance of $5\frac{1}{2}$ crores will be an addition to capital.

For new construction, we are providing 26 lakhs of which 8 lakhs are for the completion of the Jhudo-Pithoro Railway started in the current year. Eighteen lakhs are provided for new projects, viz., 8 lakhs for the Megna Bridge to improve the communication between Bengal and Assam (total cost 60 lakhs); and 10 lakhs for a line of 52 miles in Southern India connecting Madura with Karaikudi which is under consideration and is probably likely to be remunerative. This will be undertaken if the Government of Madras, who are being consulted, support the project.

Fortyfour lakhs are required for the purchase of the Amritsar-Patti-Kasur Railway. This purchase is expected to yield a return of $7\frac{1}{2}$ per cent. on the capital invested.

For improvements of the open line, we shall require 15 crores in all, of which $\frac{3}{4}$ crore will be found from stores in stock.

Our total expenditure during 1935-36 on restoration of damages caused by the 1934 earthquake and on the protection works to the Hardinge Bridge is estimated at 70 lakhs, of which 15 lakhs will be found from the annual instalment from revenue we are providing for the purpose.

Of the balance of $14\frac{1}{4}$ crores, track renewals account for 5 crores, bridge work for a crore, and other structural works for $3\frac{3}{4}$ crores.

Rolling stock is estimated to cost $4\frac{1}{2}$ crores. Of this locomotives and boilers cost about a crore, carriages cost $1\frac{1}{4}$ crores and wagons $2\frac{1}{4}$ crores. The total number of wagons ordered amounts to slightly over 5,000 of which

4,250 are broad gauge general service wagons to be added to the general pool. All these represent replacements of wagons already scrapped, or to be scrapped, in the year.

32. Finally we desire to express our gratitude to the Members of the Standing Finance Committee for Railways—both those elected in April 1934 and those elected at the end of January 1935—for the valuable assistance they have given to us during the year.

T. G. RUSSELL,

Chief Commissioner of Railways.

P. R. RAU,

Financial Commissioner of Railways.

NEW DELHI,

The 9th February 1935.

APPENDIX I.

The figures of traffic receipts and ordinary working expenses (excluding depreciation) shown in the statement on page 47 are as follows :—

	Traffic receipts.	Ordinary working expenses
1929-30	102,70	55,59
1932-33	84,43	49,08
1933-34	86,63	49,50
1934-35	90,75	50,10
1935-36	93,50	51,15

2. The special abnormal features of major importance that we should allow for are as follows :—

On the receipts side :—

- (a) In 1929-30 the receipts did not include those of the Southern Punjab Railway for the 1st 9 months (110 lakhs) as it was purchased as from January 1930, but included those of the Mysore State Railways (44 lakhs) for the whole year,
- (b) the receipts of 1932-33 included about 32 lakhs for arrears on account of some branch lines on the South Indian Railway,
- (c) the receipts of 1934-35 include half a crore pertaining really to the previous year (1933-34).

On the expenditure side :—

- (a) In 1929-30, the working expenses of the Southern Punjab Railway (57 lakhs) were not included for 9 months and those of the Mysore State Railways (24 lakhs) were included. They were decreased (about 1½ crores) by certain credits for released material which since 1932-33 are shown as receipts;
- (b) In 1932-33, working expenses were increased by 27 lakhs by arrear adjustments on the South Indian Railway for branch lines and by 20 lakhs on account of payment to Income-tax Department as compensation for exemption allowed to railway servants like all Government servants from the additional income-tax imposed in 1931.
- (c) The cut in pay decreased working expenses by 193 lakhs in 1932-33 and 107 lakhs in 1933-34. The estimated recoveries in 1934-35 and 1935-36 are 100 lakhs and 8 lakhs respectively.
- (d) Prior to 1934-35, working expenses included about 14 lakhs on account of rebates and subsidies—from 1934-35 onwards they are included as miscellaneous charges.

- (e) From 1933-34 onwards, working expenses include about 15 lakhs representing the repayment by instalments of the cost of repairs of damages caused by the earthquake in Bihar and the Ganges flood to the Hardinge protection works.

Making the necessary additions and deductions for these abnormal features, the figures for comparison are as follows :

(In lakhs of rupees).

Operating expenses.

						Traffic receipts.	(Excluding cut in pay).	(Including cut in pay).
1929-30	.	.	.	.	.	1,03,36	57,03	57,03
1932-33	.	.	.	.	.	84,11	50,40	48,47
1933-34	.	.	.	.	.	87,13	50,28	49,21
1934-35	.	.	.	.	.	90,25	50,95	49,95
1935-36	.	.	.	.	.	93,50	51,08	51,00

APPENDIX II.

CAPITAL EXPENDITURE.

The total expenditure charged to capital and to the depreciation fund on State-owned railways in the three years 1933-34 to 1935-36 is set out in the table below:—

	Accounts, 1933-34.	1934-35.		Budget, 1935-36.
		Budget.	Revised.	
England—				
Sterling pay- ments. £	794,080	1,290,000	1,125,000	1,500,000
Converted into rupees at 1s. 6d. to the rupee. Rs.	1,05,87,739	1,72,00,000	1,50,00,000	2,00,00,000
Exchange . Rs.	—10,090	..	—26,000	..
Total England . Rs.	1,05,77,649	1,72,00,000	1,49,74,000	2,00,00,000
India—				
Payments in India Rs.	5,00,04,003	11,63,00,000	8,00,26,000	13,00,00,000
Total England and India. Rs.	6,05,81,652	13,35,00,000	9,50,00,000	15,00,00,000

The distribution of the above between capital and depreciation fund is as follows:—

Capital . . .	—2,01,71,729	4,68,00,000	1,50,00,000	5,50,00,000
Depreciation Fund .	8,07,53,381	8,67,00,000	8,00,00,000	9,50,00,000

2. The statement below gives a comparison of the allotments made for open lines and lines under construction during the same period (*viz.*, 1933-34 to 1935-36) under commercial and strategic lines separately :—

(Figures in thousands of rupees.)

	Accounts, 1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
Commercial.			
Repayment of debentures by the Mymensingh Bhairab Bazar Railway Company . Capital .	..	—20,00	..
Purchase of Amritsar Patti Kasur Railway . . . Capital .	..	..	44,00
Sale of Government Interest in the Palanpur Deesa Railway to the Durbar . . .	..	—4,10	..
Open line (including rolling stock) { Capital .	—2,17,19	1,54,10	4,74,00
Dep. Fund .	7,91,44	7,75,00	9,01,00
Total open lines . . { Capital .	—2,17,19	1,30,00	5,18,00
Dep. Fund .	7,91,44	7,75,00	9,01,00
Lines under construction . { Capital .	22,36	25,00	26,00
Dep. Fund .	..	..	..
Total Commercial . { Capital .	—1,94,83	1,55,00	5,44,00
Dep. Fund .	7,91,44	7,75,00	9,01,00
Total .	5,96,61	9,30,00	14,45,00
Strategic.			
Open line (including rolling stock) { Capital .	—6,90	—5,00	6,00
Dep. Fund .	16,09	25,00	49,00
Lines under construction—Capital . .	1	..	..
Total Strategic . . { Capital .	—6,89	—5,00	6,00
Dep. Fund .	16,09	25,00	49,00
Total Commercial and Strategic Lines { Capital .	—2,01,72	1,50,00	5,50,00
Dep. Fund .	8,07,53	8,00,00	9,50,00
Total .	6,05,81	9,50,00	15,00,00

3. The distribution of the total budget provision of 15 crores for 1935-36 is as follows :—

(Figures in thousands of rupees.)

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<i>State Railways managed by the State.</i>						
Burma Railways—						
Total Open Line {	Capital .	—8,25	12,25	4,00	..	..
	Dep. Fund	9,30	12,20	21,50	..	..
<i>Eastern Bengal Railway—</i>						
Total Open Line {	Capital .	17,23	13,27	30,50	..	..
	Dep. Fund	53,37	36,33	94,75	..	..
<i>East Indian Railway—</i>						
Total Open Line {	Capital .	68,40	80,40	1,48,80	..	..
	Dep. Fund	47,93	80,07	1,28,00	..	..

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines	Total.
Great Indian Peninsula Railway—						
Total Open Line { Capital .	—51	39,01	38,50	..	..	..
Dep. Fund	48,94	45,81	94,75	..	..	..
North-Western Railway (Commercial lines)—						
New Construction—						
Chiniot Khushab . .	..	..	..	4	..	4
Open Line . { Capital .	—32,36	32,36	..	..	..	..
Dep. Fund .	53,86	97,39	1,51,25	..	..	..
Total { Capital .	—32,36	32,36	..	4	..	4
Dep. Fund .	53,86	97,39	1,51,25	..	..	..
North Western Railway (Strategic Lines)—						
Total Open Lin. { Capital .	—5,43	11,43	6,00	..	..	..
Dep. Fund	9,43	39,57	49,00	..	..	..
State Railway Collieries .	..	—80	—80	..	..	..
Total State Railways managed by the State. { Capital .	39,08	1,87,92	2,27,00	4	..	4
Dep. Fund .	2,27,83	3,11,42	5,39,25	..	..	..
TOTAL .	2,66,91	4,99,34	7,66,25	4	..	4

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress	New Lines.	Total.
<i>State Railways managed by Companies or Indian States—</i>						
Assam Bengal Railway—						
<i>New Construction—</i>						
Megna Bridge . . .	..	..	..	..	8,00	8,00
Open Line {	Capital .	2,64	12,36	15,00	..	..
	Dep. Fund.	5,03	14,67	20,00	..	..
Total {	Capital .	2,64	12,36	15,00	..	8,00
	Dep Fund.	5,03	14,97	20,00	..	..
Bengal Nagpur Railway—						
Total Open Line {	Capital	9,21	48,29	57,50	..	..
	Dep. Fund	30,49	72,01	1,02,50	..	..
Bezwada Extension—						
Total Open Line {	Capital	..	5	5	..	..
	Dep. Fund.	..	40	40	..	..

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
Bengal and North-Western Railway (Tirhut Section)—						
Total Open Line { Capital .	3,11	4,59	7,70	..	..	..
Dep. Fund .	2,22	7,48	9,70	..	..	..
Bombay, Baroda and Central India Railway—						
Total Open Line { Capital .	11,51	52,49	64,00	..	..	..
Dep. Fund .	55,79	68,76	1,24,55	..	..	..
Dhone Kurnool Railway—						
Total Open Line—Capital .	..	40	40	..	..	..
Jolhpur Railway --						
<i>New Construction—</i>						
Jhudo Pithoro . . . .	..	..	..	8,00	..	8,00
Open Line { Capital .	..	2,55	2,55	..	..	..
Dep. Fund.	45	2,05	2,50	..	..	..
						..

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
Madras and Southern Mah-ratta Railway—						
Total Open Line {	Capital .	8,60	14,34	23,00	..	..
	Dep. Fund.	29,12	45,88	75,00	..	..
Rohilkund and Kumaon Railway—						
Total Open Line {	Capital .	1,13	2,57	3,70	..	..
	Dep. Fund .	68	1,72	2,40	..	..
South Indian Railway—						
<i>New Construction—</i>						
Salem-Attur Vriddhachalam	..	..	..	1	..	1
Agastiyampalli Point Calimere.	..	..	..	67	..	67

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
South Indian Railway—conold.						
<i>New Construction—conold.</i>						
Pollachi Palghat . . .	..	..	..	—50	..	—50
Karaikudi-Melur . . .	..	..	..	..	9,78	9,78
Madura . . .	..	..	..	..	..	..
Open Lines . { Capital	10,70	24,30	35,00	..	..	..
Dep. Fund	17,31	32,89	50,20	..	..	..
Total . { Capital	10,70	24,30	35,00	18	9,78	9,96
Dep. Fund	17,31	32,89	50,20	..	..	..
Total State Railways managed by Companies or Indian States { Capital	46,96	1,61,94	2,08,90	8,18	17,78	25,96
Dep. Fund	1,41,09	2,46,16	3,87,25	..	..	..
Total .	1,88,05	4,08,10	5,96,15	8,18	17,78	25,96
Total all State Railways. { Capital	86,04	3,49,86	4,35,90	8,22	17,78	26,00
Dep. Fund	3,68,92	5,57,58	9,26,50	..	..	..
For emergencies { Capital	..	8,00	8,00	..	..	..
Dep. Fund	..	2,00	2,00	..	..	..
Emergency deductions from pay . . . . .	..	—50	—50	..	..	..
Hardinge Bridge protection and training works.	..	20,00	20,00	..	..	..
Earthquake damages . . .	..	15,00	15,00	..	..	..
	..	13,00	13,00	..	..	..
	..	21,50	21,50	..	..	..
Purchase of Amritsar Patti Kasur Railway . . .	..	44,00	44,00	..	..	..
Refund of Capital advanced by Rohilkund and Kumaon Railway Company for State Works.	..	3,60	3,60	..	..	..

Repayments from revenue for Hardinge Bridge works and earthquake damages.	..	..	..	..	..	..
	..	—15,00	—15,00	..	..	..
Total . { Capital	86,04	4,37,96	5,24,00	8,22	17,78	26,00
Dep. Fund	3,68,92	5,81,08	9,50,00	..	..	..
Grand Total				15,00,00		

NOTE.—Figures in *italics* represent expenditure from the Depreciation Fund.

Open Line Works.

4. *Engineering, structural and other works.*—The following is the distribution of the proposed expenditure among the various classes of works comprised in this group :—

(Figures in lakhs of rupees.)		
	Capital.	Depreciation Fund.
Total.		
(1) Track	77.26	425.12
(2) Bridges	52.85	47.95
(3) Traffic facilities	80.36	27.29
(4) Workshops and Loco. sheds	54.87	17.53
(5) Staff quarters	24.38	1.93
(6) Welfare Works	10.40	.73
(7) Electric installations	23.72	11.77
(8) Signalling and interlocking	19.75	9.85
(9) Electrification of track	15.81	.34
(10) Removal of infringements	3.25	.70
(11) Ferries . . . . .	..	1.00
(12) Collieries	3.75	..
(13) Emergencies	8.00	2.00
(14) Other Works	49.06	13.37
(15) Hardinge Bridge protection and training works and earthquake damages.	33.00	36.50
(16) Suspense (Reduction of stores balances)	—72.00	..
(17) Emergency deductions from pay	—50	..
(18) Repayments from revenue for Hardinge Bridge works and earthquake damages . . . . .	..	—15.00
(19) Purchase of Amritsar Patti Kasur Railway	44.00	..
Total	437.96	581.08
		1,019.04.

(1) and (2) *Track and Bridges*.—The policy of strengthening and improving both track and bridges is being continued and, though on account of the general financial stringency the programme has still to be somewhat curtailed, it has been necessary to make a total provision of Rs. 502·38 lakhs for renewals of track, or about Rs. 26 lakhs more than the corresponding provision in 1934-35, in order to pull up arrears.

The provision for the girder renewal and bridge strengthening programme amounts to Rs. 135·80 lakhs which is about $\frac{3}{4}$ of a crore less than the corresponding provision during the current year. Of this total provision, a sum of Rs. 20 lakhs has been provided in respect of expenditure anticipated during 1935-36 on the Nerbudda Bridge at Broach, on the Bombay, Baroda and Central India Railway, while on the Great Indian Peninsula Railway Rs. 10·69 lakhs have been allowed for the reconstruction of the super-structure of the Wunna and Krishna bridges which has been necessitated by the policy of bringing, upto main line standard, the sections between Wardha and Balharshah and Kalyan and Raichur.

On the Eastern Bengal Railway, a provision of Rs. 9 lakhs has been made in respect of the Gorai Bridge. It has now been decided to regirder the old bridge instead of building a new one, which will result in a saving of 21 lakhs. In the programme of that railway, provision to the extent of Rs. 35 lakhs has also been made for effecting certain repairs and additions to the protection works of the Hardinge Bridge, which were damaged in September 1933. A small provision of Rs. 1 lakh has also been made for raising the spans of the Jhelum Bridge on the Lalamusa-Rawalpindi section of the main line of the North-Western Railway, and provision amounting to Rs. 9·43 lakhs has been made for initial expenditure in connection with strengthening the Dufferin and other bridges on the older sections of the East Indian Railway which are showing signs of weakness under the loads they are now required to carry.

Traffic Facilities.

The work of doubling the Tundla-Etawah section of the main line on the East Indian Railway has been completed and a provision of Rs. 3·20 lakhs has been made for remodelling five stations—Bhaupur, Rura, Jhunkhak, Phaphud and Bharthana—where track centres are only 12 ft. apart, and during the past 6 months there have been cases of passengers injured as a result of this infringement. Their remodelling would in any case be necessary when the remaining section of the Cawnpore-Tundla line is doubled.

As regards important remodelling schemes, provision has been made for completing the work of remodelling the Hubli station yard and for the new Loco. yard at Salt Cotaurs on the Madras and Southern Marhatta Railway for which sums, amounting to Rs. 2·09 lakhs and 4·32 lakhs respectively, have been allowed. On the North Western Railway a provision of Rs. 5·32 lakhs has been allowed for the remodelling of Delhi Yard, including Power Signalling

and track circuiting. On the same railway the work of remodelling Khan Alampura yard is being provided at an approximate cost of Rs. 6 lakhs, out of which Rs. 5 lakhs are for work to be done next year and the balance of Rs. 1 lakh to be expended in the following year for completion of the work.

On the Bengal Nagpur Railway a new avoiding yard at Raipur is to be built at an approximate cost of Rs. 8 lakhs, out of which Rs. 3 lakhs is for work to be done next year, and the balance of Rs. 5 lakhs is to be spent in the following year for completion of the work. The work is required to deal with all traffic between the Bengal Nagpur Railway main line and the Raipur-Vizianagram Railway.

Workshops, Stations and other buildings

Work on the Dohad shops of the Bombay, Baroda and Central India Railway is expected to be completed in 1935-36, and a sum of Rs. 2.19 lakhs is required for this purpose, which also includes certain works at Parel consequent on the Dohad scheme. The remodelling of Jamalpur workshops on the East Indian Railway, the estimate for which was sanctioned in May 1934, is making good progress and a provision of Rs. 13 lakhs has been made for it. A provision of Rs. 10 lakhs has been made for the modernisation of the generating plant of the Power House Kharagpur Workshops on the Bengal Nagpur Railway. The work is expected to be completed during 1935-36. On the Great Indian Peninsula Railway a provision of Rs. 2½ lakhs has been made for remodelling the Carriage and Wagon Shops at Jhansi.

On the North Western Railway a new Central Hospital, at Lahore, with staff quarters, including air conditioning and flush sanitation, is being provided for at an approximate cost of Rs. 7.50 lakhs out of which Rs. 3.50 lakhs is for work to be done next year and the balance of Rs. 4 lakhs is to be expended in the following year for completion of the work. On the same railway, provision is also being made for the construction of a Divisional office at Delhi at an estimated cost of Rs. 1.60 lakhs. The present office accommodation in the old Secretariat buildings is not suitable and is situated several miles from the station and from the residential area of clerks. It is proposed to construct the new office building in a central place and the work is expected to be completed in 1935-36. Provision amounting to Rs. 5 lakhs during 1935-36 is also being made for the construction of the combined office buildings for the Clearing Accounts Office and the Indian Railway Conference Association and for the necessary staff quarters, which are required to alleviate the present unsatisfactory state of affairs.

Electrification of track.—It is proposed to extend the Bombay, Baroda and Central India Railway Suburban electrification by 16 miles, i.e., from Borivli to Virar. This scheme is expected to cost 25½ lakhs out of which 15½ are being expended during 1935-36.

5. *Staff quarters.*—The following table shows the distribution of the proposed expenditure for the provision of quarters for the staff :—

Railways.	Officers' Quarters.		Other Quarters.		Total
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete quarters under construction.	Provision for new quarters.	
Assam Bengal	2,70	2,70
Bengal Nagpur.	..	8	75	2,33	3,16
Bengal & North Western,	27	25	52
Bombay, Baroda and Central India.	1,58	1,58
Burma	1,15	1,50	2 65
Eastern Bengal.	..	30	5	1,65	2,00
East Indian .	22	22	1,78	2,92	5,14
Great Indian Peninsula.	..	28	..	4,66	4,94
Jodhpur	37	37
Madras and Southern Mahratta.	82	2,31	3,13
North Western.	..	69	..	5,55	6,24
Rohilkund and Kumaon.	..	12	4	72	88
South Indian	3,00	3,00
Total .	22	1,69	4,86	29,54	36,31

6. *Amenities for Passengers.*—The statement below shows against each railway the expenditure proposed on the various categories under which these amenities are usually sub-divided :—

(Figures in thousands.)

Railways	Water supply.	Waiting rooms and halls	Indian refreshment rooms.	Booking facilities	Latrines and sanitary arrangements.	Raised platforms	Additions and betterments to lower class carriages.	Total.
1. Assam Bengal . .	58	11	6	6	6	6	74	1,67
2. Bengal Nagpur .	1,75	25	..	83	7	12	7,00	9,57
3. Bengal and North Western.	5	5	5	5	5	..	60	85
4. Bombay, Baroda and Central India.	21	..	..	..	..	..	16,06	16,27
5. Burma . . .	25	..	..	..	5	..	..	30
6. Eastern Bengal . .	69	..	..	..	29	8	2,46	3,52
7. East Indian . .	1,10	80	..	1,29	85	1,24	2,48	7,76
8. Great Indian Peninsula.	38	6	..	..	8	40	1,00	1,92
9. Jodhpur . . .	29	3	..	..	3	..	..	35
10. Madras and Southern Mahratta.	62	..	47	57	..	..	1,00	2,66
11. North-Western .	4,53	9	..	..	1,23	29	..	6,14
12. Rohilkund & Kumaon	..	16	..	..	..	..	..	16
13. South Indian . .	73	..	..	..	..	..	11,35	12,08
14. Dhone Kurnool .	5	..	..	..	..	..	...	5
TOTAL	11,23	1,55	58	2,35	2,71	2,19	42,69	63,30

7. *Rolling Stock*.—Of the total amounts provided for expenditure on rolling stock during 1935-36, 24.49 lakhs (of which about 12.54 lakhs are from the Depreciation Fund) are for completion of works sanctioned in previous programmes. The expenditure on new 'Items' is shown in the statement below.

	Broad Gauge.			Metre Gauge.			Narrow Gauge.			Total.		
	Addi- tions.	Renewals.		Addi- tions.	Renewals.		Addi- tions.	Renewals.		Addi- tions.	Renewals.	
		Capital.	Dep. Fund.		Capital.	Dep. Fund.		Capital.	Dep. Fund.		Capital.	Dep. Fund.
I.—Locomotives—												
(a) Engines and Tenders.	..	5,67	20,93	..	7,16	11,21	..	26	1,36	..	13,09	33,50
(b) Boilers.	32	—90	26,20	..	1,11	6,68	..	6	11	32	27	32,99
(c) Miscellaneous Expenditure.	3	—39,28	43,31	..	..	—2,47	..	16	99	3	—39,12	41,83
II.—Coaching Stock—												
(a) I and II class	1,46	6,75	10,06	..	63	2,01	..	6	12	1,46	7,44	12,19
(b) Inter and III class	2,92	4,84	11,17	..	6,68	12,15	..	84	2,39	2,92	12,06	25,71
(c) Composites.	..	4,79	7,75	..	2,84	4,92	..	..	..	..	7,63	12,67
(d) Other coaches	7,41	5,10	8,93	..	1,48	8,62	..	1	..	7,41	6,59	17,55
(e) Miscellaneous Expenditure.	75	—20,45	20,98	..	—3,21	4,13	..	..	..	75	—23,66	24,81
III.—Goods Stock—												
(a) General Service	93,65	20,75	64,98	..	1,60	18,03	..	..	..	93,65	22,35	83,01
(b) Other types	3,35	3,01	12,43	1,35	3,03	9,17	..	..	..	5,20	6,04	21,60
(c) Miscellaneous Expenditure.	..	—45,23	44,63	77	—5,88	5,89	..	..	..	77	—51,11	50,52
Total	1,10,39	—55,25	2,71,07	2,12	15,44	80,34	..	1,39	4,97	1,12,51	—38,42	3,56,38

The programme provides for the construction of new units of stock shown in the table below, all of which, however, will not necessarily be completed and be available for use before the 31st March 1936.

	Broad Gauge.			Metre Gauge.			Narrow Gauge.		
	Additions.	Re-newals	Total.	Additions.	Re-newals.	Total.	Additions.	Re-newals.	Total.
	No.	No.	No.	No.	No.	No.	No.	No.	No.
1. Locomotives	..	41	41	..	44	44	..	4	4
2. Coaching vehicles (in terms of 4-wheelers).—									
(a) I and II class	6	60	66	..	14	14	..	2	2
(b) Inter and III class.	16	86	102	..	149	149	..	44	44
(c) Composites .	..	62	62	..	52	52	..	..	..
(d) Other coaches	47	95	142	..	103	103	..	..	..
3. Goods wagons (in terms of 4-wheelers).—									
(a) General Service.	2,333	1,917	4,250	..	631	631	..	..	..
(b) Other types .	53	237	290	1	217	218	..	..	..

The programme contains provision for scrapping, without renewal, of 30 units of carriages and 267 units of wagons on Burma Railways, 97 units of carriages and 1,000 units of wagons on East Indian Railway, 38 locomotives, 92 units of carriages and 20 units of wagons on Great Indian Peninsula Railway and 43 locomotives, 83 units of carriages and 567 units of wagons on North Western Railway.

The following statement shows, in terms of four-wheelers, the details of the new units of coaching and goods stock which will be *additions* to the authorised stock of the Railways :—

Railways.	Coaching Stock.				Goods Stock.			
	Broad Gauge		Metre Gauge.		Broad Gauge		Metre Gauge.	
	Inter and III.	Other coaches.	Inter and III.	Other Coaches.	General Service.	Other types	General Service	Other types.
Eastern Bengal . . .	..	33	..	..	..	3	..	..
East Indian	6	8	..	..	2,333	50	..	.
Great Indian Peninsula . .	.	6	..	..	..	..	..	..
South Indian	10	6	..	..	.	..	..	..
Total	16	53	..	.	2,333	53	..	..

New Construction.—Circumstances have not been favourable during the last few years for commencing any new lines, but Government are now considering the resumption of new construction work again, and are examining a number of projects in order to ascertain whether they are likely to yield an adequate return on the money to be expended. These projects include the Bombay Sind Connection Railway, Railways to serve the Nira Valley in the Bombay Presidency and the newly irrigated areas in Sind, certain lines in Bombay, Central Provinces and United Provinces and in South India.

The programme proposed for 1935-36 involves an expenditure of 26 lakhs on actual new construction as against an original proposal of Rs. 11 lakhs in the current year. Apart from Rs. 8 lakhs for the Jhudo-Pithoro line, the construction of which was started with the approval of the Assembly in August 1934 and which, it is hoped will be completed during 1935-36, the only other projects for which provision has been made are :—

(i) *Karaiakudi-Melur-Madura Railway*—This project is under consideration and is probably likely to prove remunerative. If started during the year it is estimated that Rs. 10 lakhs would be required during 1935-36.

(ii) *Megna Bridge* —The need for a bridge over the river Megna to replace the existing Assam Bengal Railway Wagon ferry, has for some time been accepted on administrative and general grounds and is now found to be also financially sound, as it is expected to yield a return of $4\frac{1}{2}$ per cent. on total outlay of Rs. 60 lakhs.

APPENDIX III.

Capital expenditure on State-owned Railways.

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1933-34.	To end of 1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.	To end of 1935-36.
OPEN LINES.					
State Railways managed by the State—					
Burma	5,63	33,51,42	—15,00	4,00	33,40,42
Eastern Bengal	—48,13	48,05,87	10,00	30,50	48,46,37
East Indian	—62,36	1,36,10,27	65,00	1,48,80	1,38,24,07
Great Indian Peninsula .	—1,19,04	1,21,33,36	—20,00	38,50	1,21,51,86
North Western	—12,33	1,07,80,82	—70,00	..	1,07,10,82
Strategic Lines	— 6,86	33,67,51	—5,00	6,00	33,68,51
Miscellaneous	—4	2,43,58	..	..	2,43,58
Abandoned projects . .	..	32,26	..	..	32,26
State Railway Collieries .	—2,69	97,45	—78	—80	95,87
Total State Railway managed by State	—2,45,82	4,84,22,54	—35,78	2,27,00	4,86,13,76
State Railways managed by Companies or Indian States—					
Assam Bengal	71	22,52,13	7,00	15,00	22,74,13
Bengal Nagpur	8,97	72,21,63	23,00	57,50	73,02,13
Bengal and North-Western (Tirhut)	—2,51	9,64,70	6,00	7,70	9,78,40
Bezwada Extension . . .	2	17,96	5	5	18,06
Bombay, Baroda and Central India	—2,68	75,75,92	46,05	64,00	76,85,97
Dhone Kurnool	32	27,19	30	40	27,89
Jodhpur	33	86,40	2,00	2,55	90,95
Madras and Southern Mahratta	3,07	52,97,84	28,00	23,00	53,48 84
Rohilkund and Kumaon (Lucknow Bareilly) .	79	2,46,48	2,50	3,70	2,52,68
South Indian	8,36	36,95,36	35,00	35,00	37,65,36
Total State Railways managed by Companies or Indian States	17,38	2,73,85,61	1,49,90	2,08,90	2,77,44,41
Total Open Lines	—2,28,44	7,58,08,15	1,14,12	4,35,90	7,63,58,17

APPENDIX III—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1933-34.	To end of 1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.	To end of 1935-36.
LINES UNDER CONSTRUCTION.					
State Railways managed by State—					
Burma Railways—					
Sagaing Bridge	8,83	1,12,23	3,55	..	1,15,78
Paungdwingyi-Minbu Pakokku—	7	56,54	..	..	56,54
Total	8,90	1,68,77	3,55	..	1,72,32

APPENDIX III—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1933-34.	To end of 1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.	To end of 1935-36.
LINES UNDER CONSTRUCTION — <i>contd.</i>					
State Railways managed by State— <i>contd.</i>					
Eastern Bengal Railway—					
Baruipur-Lakshmikantapur	2	40,41	4	..	40,45
Tangla Rangapara . .	5,16	45,18	4,05	..	49,23
Dacca Aricha . .	1	2,94	..	..	2,94
Kalukhali-Kamarkhali Bha- teapara . . .	..	54,47	5	..	54,52
Nawabganj Abdulpur .	22	84,05	..	..	84,05
Purnea Murli ganj includ- ing Behariganj branch .	1	30,68	6	..	30,74
Dinajpur Ruhea . .	..	32,86	..	..	32,86
Total	5,42	2,90,59	4,20	..	2,94,79
East Indian Railway—					
Central Indian Coal- fields	1,56	4,02,15	86	..	4,03,01
Calcutta Chord .	—1,39	3,27,42	—2,04	..	3,25,38
Lucknow Sultanpur Zafar- abad	—12	96,49	8	..	96,57
Unao-Madhoganj . .	1	32,33	—5	..	32,28
Chandpur-Bijnor Muazzam- pur Narian branch .	—2	25,52	—5	..	25,47
Total .	4	8,83,91	—1,20	..	8,82,71

APPENDIX III—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1933-34.	To end of 1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.	To end of 1935-36.
LINES UNDER CONSTRUCTION — <i>contd.</i>					
State Railways managed by State— <i>contd.</i>					
Great Indian Peninsula Rail- way—					
Darwha-Pushad	—1	31,75	..	..	31,75
Kartal Kamasin . . . . .	..	2,40	..	..	2,40
Nasik Belapur Sheo- gacn . . . . .	..	1,25	..	..	1,25
Khamgaon-Chikhli . . . . .	..	2,05	..	..	2,05
Hiwarkhed-Akot-Akola Bassim (late Khandwa Hingoli)	—1	1,93	..	..	1,93
Amraoti Narkhed	—1	1,05	..	..	1,05
Total	—3	40,43	..	..	40,43

APPENDIX III—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1933-34.	To end of 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.	To end of 1935-36.
LINES UNDER CONSTRUCTION — <i>contd.</i>					
State Railways managed by State— <i>concl'd.</i>					
North Western Railway—					
Kangra Valley . . .	2,12	2,96,55	—6	..	2,96,49
Khushab Cniniot . . .	15	1,28,66	8	4	1,28,78
Lyallpur Chananwala . .	—1	11,37	6	..	11,43
Sind Left Bank Feed- ers . . .	21	83,34	14	..	83,48
Batala Beas . . .	—3	14,75	18	..	14,93
Kalabagh Bridge . . .	1	49,49	..	..	49,49
Strategic Lines . . .	1	56,15	..	..	56,15
Suspense . . .	..	—4	..	..	—4
Total . . .	2,46	6,40,27	40	4	6,40,71
Total State Railways manag- ed by State . . .	16,79	20,23,97	6,95	4	20,30,96

APPENDIX III—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1933-34.	To end of 1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36	To end of 1935-36.
LINES UNDER CONSTRUCTION — <i>contd.</i>					
State Railways managed by Companies or Indian States—					
Assam Bengal Railway—					
Senchoa Mairabari .	3	21,29	3	..	21,32
Feni Belonia . .	3	13,67	..	..	13,67
Chittagong Nazirhat .	9	21,69	1	..	21,70
Chittagong Dohazari .	4	49,46	6	..	49,52
Megna bridge at Bhairab	3	1,29	9	8,00	9,38
Total .	22	1,07,40	19	8,00	1,15,59
Bengal Nagpur Railway—					
Raipur Vizianagram .	5,77	4,90,51	2,19	..	4,92,70
Guttitangar Branch .	..	2,01	1	..	2,02
Total .	5,77	4,92,52	2,20	..	4,94,72
Bengal and North Western Railway—					
Mashrak Thawe . .	3	23,08	1	..	23,09
Jodhpur Railway—					
Jhudo Pithoro . .	..	..	13,55	8,00	21,55

APPENDIX III—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1933-34.	To end of 1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.	To end of 1935-36.
LINES UNDER CONSTRUCTION — <i>contd.</i>					
State Railways managed by Companies or Indian States — <i>contd.</i>					
Madras and Southern Mah- ratta Railway—					
Nidadavolu Narasapur .	6	68,59	..	..	68,59
Cocanada Kotepall .	6	42,52	..	..	42,52
Gudivada Bhumavaram .	1	40,73	..	..	40,73
Hotgi Sholapur . .	..	7,84	..	..	7,84
Kannivihalli Swamihalli	—33	3,79	..	..	3,79
Guntur Gurzala-Macheria		45,71	—5	..	45,66
Total .	—20	2,09,18	—5	..	2,09,13
South Indian Railway—					
Villupuram Trichinopoly	—62	2,01,55	95	..	2,02,50
Virudunagar Tenkasi .	—17	68,52	1	..	68,53
Shoranur Nilambur .	..	80,16	2	..	80,18
Dindigul Pollachi . .	72	81,78	—32	..	81,46
Trichinopoly Manama- dura. . . .	—9	1,13,08	4	..	1,13,12
Mayavaram Tranquebar	—4	21,30	..	..	21,30
Madura Bodinayakanur	18	53,84	6	.	53,90
Vriddhachalam Cudda- lore	—43	26,67	..	..	26,67
Salem Attur Vriddha- challam . . .	3	84,70	26	1	84,97
Pollachi Palghat . .	38	53,47	73	—50	53,70
Salem Mettur Dam .	—1	12,93	..	..	12,93
Agastiyampalli Point Calimere . . .	..	..	50	67	1,17
Karai Kudi Melur Madura Railway . . . .	..	..	.	9,78	9,78
Total .	—5	7,98,00	2,25	9,96	8,10,21

APPENDIX III—*concl'd.*

(Figures in thousands of rupees)

RAILWAYS.	Accounts, 1933-34.	To end of 1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36	To end of 1935-36.
LINES UNDER CONSTRUCTION — <i>concl'd.</i>					
State Railways managed by Companies of Indian States— <i>concl'd.</i>					
Total State Rail- ways managed by Companies of Indian States	5,77	16,30,18	18,15	25,96	16,74,29
Total Lines under Construction . . .	22,56	36,54,15	25,10	26,00	37,05,25
Total Open Lines and Constructions .	—2,05,88	7,94,62,30	1,39,22	4,61,90	8,00,63,42
Hardinge Bridge protec- tion and training works	5,71	5,71	29,00	20,00	54,71
Earthquake damages .	-	..	8,00	13,00	21,00
Refund of Capital ad- vanced by Rohilkund and Kumaon Railway Company for State Works	3,73	14,06	3,73	3,60	21,39
Purchase of Amritsar Patti Kasur Railway	-	..	..	44,00	44,00
For emergencies .	..	..	..	8,00	8,00
Sale of Palanpur Deesa Railway.	..	..	—4,10	..	—4,10
Purchase of Branch Line shares. . . .	..	54,76	—20,00*		34,76
Emergency deductions from pay .	—5,28	—16,51	—5,85	—50	—22,86
Reduction in Capital provided by the Rohilkand and Kumaon Railway owing to refund by Government . . .	..	—14,06	..	..	—21,39
Total Capital Expenditure .	—2,01,72	7,95,06,26	1,50,00	5,50,00	8,01,98,93

* Note.—Represents repayment of debentures by Mymensingh Bhairab Bazar Railway Company.

APPENDIX IV.

Capital at charge of State-owned Railways.

(Figures in lakhs of rupees).

Railways	1933-34.	1934-35.	1935-36.
State Railways managed by the State.			
1. Burma	35,20	35,09	35,13
2. Eastern Bengal	50,99	51,42	51,92
3. East Indian	1,43,86	1,44,54	1,46,15
Great Indian Peninsula	1,21,73	1,21,53	1,21,92
5 North-Western { Commercial	1,13,63	1,12,92	1,12,92
Strategic	34,24	34,19	34,25
Total	4,99,65	4,99,69	5,02,29
State Railways managed by Companies or Indian States.			
6. Assam Bengal	23,59	23,66	23,89
7. Bengal Nagpur	77,14	77,39	77,96
8. Bengal and North Western	9,88	9,94	10,03
9. Bezwada	18	18	18
10. Bombay, Baroda and Central India	75,75	76,21	76,85
11. Dhone Kurnool	27	27	27
12. Jodhpur	86	1,02	1,12
13. Madras and Southern Mahratta	55,07	55,35	55,58
14. Rohilkund and Kumaon	2,46	2,49	2,53
15. South Indian	44,93	45,30	45,75
Total	2,90,13	2,91,81	2,94,16
Miscellaneous.			
16. Abandoned projects	32	32	32
17. State Railway Collieries (including East Indian Railway Collieries).	1,98	1,97	1,96
18. Other miscellaneous items	2,98	2,74	3,26
Total	5,28	5,03	5,54
GRAND TOTAL	7,95,06	7,96,53	8,01,99

APPEN

**Gross receipts, working expenses, and
Gross Receipts**

STATE RAILWAYS.	1924-25.	1925-26.	1926-27.
	M.	M.	M.
Open mileage at end of the year .	26,985	27,090	27,664 ¹
	Rs.	Rs.	Rs.
State Railways managed by the State—			
Burma	4,29	4,93	4,61
Eastern Bengal	5,92	6,29	6,72
East Indian	20,61	19,72	19,66
Great Indian Peninsula	15,16	14,63	14,70
North Western—Commercial Lines .	15,13	13,70	14,04
Strategic Lines .	1,60	1,64	1,53
State Railways managed by Companies or Indian States—			
Assam Bengal	1,44	1,64	1,76
Bengal Nagpur	8,38	8,38	8,20
Bombay, Baroda and Central India .	12,33	12,14	11,26
Madras and Southern Mahratta . .	7,91	8,14	8,12
South Indian	5,15	5,44	5,49
Other Railways	2,21	2,29	2,33
Total .	1,00,13	98,94	98,42

DIX V.

net receipts of State owned Railways.**(excluding worked lines).**

(Figures in lakhs of rupees)

1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
M.	M.	M.	M.	M.	M.	M.
28,086	29,111	30,878	31,197	31,640	31,642	31,644
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,03	4,95	4,87	4,28	3,74	3,49	3,66
7,00	7,03	6,73	5,86	5,05	4,98	5,10
20,43	20,31	19,85	18,24	17,38	17,56	18,07
15,09	15,30	14,58	13,33	11,92	12,09	12,35
14,89	14,23	14,39	14,98	13,34	12,87	13,38
1,60	1,97	1,59	1,48	1,32	1,27	1,26
2,05	2,07	2,06	1,96	1,84	1,57	1,61
8,16	9,12	9,31	8,17	7,24	7,03	7,52
11,34	11,86	11,52	10,90	10,30	10,23	10,65
8,64	9,20	8,98	7,98	7,15	6,72	6,93
5,80	5,63	6,33	5,80	5,30	5,60	5,17
2,40	2,36	2,50	2,12	2,07	2,21	2,12
1,03,43	1,03,73	1,02,70	95,10	86,63	85,62	87,82

APPENDIX

Working Expenses

STATE RAILWAYS.	1924-25.	1925-26.	1926-27.
	Rs.	Rs.	Rs.
State Railways managed by the States—			
Burma	2,61	2,75	2,83
Eastern Bengal	4,19	4,59	4,40
East Indian	12,74	12,03	11,90
Great Indian Peninsula	9,41	10,51	10,33
North Western—Commercial Lines	9,26	8,88	9,49
Strategic Lines	1,96	1,80	1,87
Expenditure on writing off difference between book and market value of stores	—27	..	..
State Railways managed by Companies or Indian States—			
Assam Bengal	1,06	1,07	1,13
Bengal Nagpur	5,76	5,91	5,58
Bombay, Baroda and Central India	7,01	7,34	7,21
Madras and Southern Mahratta	4,35	4,61	4,77
South Indian	3,12	3,16	3,05
Other Railways	91	1,01	1,22
Credit from Depreciation Fund being net result of correction of certain past erroneous adjustments . . . . .	..	..	..
Expenditure on writing off difference between book and market value of stores	—11	..	..
Total	62,00	63,66	63,78

V—contd.

(excluding worked lines).

(Figures in lakhs of rupees.)

1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,94	3,22	3,05	3,13	2,86	2,74	2,82
4,52	4,69	4,71	4,66	4,25	4,22	4,33
11,92	12,17	12,42	12,24	11,37	11,52	11,61
9,77	10,04	10,20	10,46	9,07	9,19	9,07
9,90	10,01	10,64	11,29	10,07	9,85	10,01
1,95	1,99	2,09	2,19	1,81	1,90	1,85
..
1,21	1,27	1,40	1,41	1,40	1,35	1,36
6,21	6,29	6,75	6,67	6,17	6,28	6,32
7,08	7,38	7,40	7,47	6,86	6,83	6,69
4,75	4,86	4,85	4,76	4,23	4,20	4,24
3,13	3,23	3,44	3,57	3,38	3,62	3,48
1,06	1,07	1,23	1,27	1,21	1,09	1,22
..	..	..	-1,66	9	6	3
..
64,44	66,22	68,18	67,46	62,77	62,85	63,06

APPEN
Net Receipts

STATE RAILWAYS.	1924-25.	1925-26.	1926-27.
	Rs.	Rs.	Rs.
State Railways managed by the State—			
Burma	1,68	2,18	1,78
Eastern Bengal	1,73	1,70	2,32
East Indian	7,87	7,69	7,76
Great Indian Peninsula	5,75	4,12	4,37
North Western—Commercial Lines	5,87	4,82	4,55
Strategic Lines	—36	—16	—34
Expenditure on writing off difference between book and market value of stores	27	..	..
State Railways managed by Companies or Indian States--			
Assam Bengal	38	57	63
Bengal Nagpur	2,62	2,47	2,62
Bombay, Baroda and Central India	5,32	4,80	4,05
Madras and Southern Mahratta	3,56	3,53	3,35
South Indian	2,03	2,28	2,44
Other Railways	1,30	1,28	1,11
Credit from Depreciation Fund being net result of correction of certain past erroneous adjustments . . . . .	..	..	..
Expenditure on writing off difference between book and market value of stores	11	..	..
Total	38,13	35,28	34,64

DIX V—concl'd.

(excluding worked lines).

(Figures in lakhs of rupees.)

1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,09	1,73	1,82	1,15	88	75	84
2,48	2,34	2,02	1,20	80	76	77
8,51	8,14	7,43	6,00	5,99	6,04	6,46
5,32	5,26	4,38	2,87	2,85	2,90	3,28
4,99	4,22	3,75	3,69	3,27	3,02	3,37
—35	—32	—50	—71	—49	—63	—59
..
84	80	65	55	44	22	22
2,95	2,83	2,56	1,50	1,07	75	1,20
4,26	4,48	4,12	3,43	3,44	3,40	3,96
3,89	4,34	4,13	3,22	2,92	2,52	2,69
2,67	2,40	2,89	2,23	1,92	1,98	1,69
1,34	1,29	1,27	85	86	1,12	90
—	..	..	1,66	—9	—6	—3
..
38,99	37,51	34,52	27,64	23,86	22,77	24,76

Gross receipts, working expenses and net receipts of

STATE RAILWAYS.	Gross receipts		
	1933-34.	Revised Estimate. 1934-35.	Budget Estimate, 1935-36.
	M	M	M
Open mileage at end of the year .	38,298	38,298	38,368
	Rs.	Rs	Rs.
State Railways managed by the States—			
Burma	3,66	3,82	4,03
Eastern Bengal	5,20	5,30	5,42
East Indian	18,15	19,58	20,08
Great Indian Peninsula	12,76	13,00	13,51
North Western	15,19	16,01	16,42
State Railways managed by Companies or Indian States—			
Assam Bengal	1,72	1,87	1,83
Bengal Nagpur	7,52	8,11	8,46
Bombay, Baroda and Central India .	11,36	11,78	12,02
Madras and Southern Mahratta . .	7,69	7,62	7,78
South Indian	5,40	5,54	5,76
Other Railways	4,37	4,47	4,64
Annual instalment of repayment to the depreciation fund on account of expenditure on earthquake damages and Hardinge Bridge protection works . . . . .	...	
Total	93,02	97,10	99,95

V.

State-owned Railways (including worked lines).

(Figures in lakhs of rupees.)

Working expenses.			Net receipts.		
1933-34.	Revised Estimate 1934-35.	Budget Estimate, 1935-36	1933-34.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,82	2,84	2,90	84	98	1,13
4,23	4,29	4,29	97	1,01	1,13
11,57	11,84	11,97	6,58	7,74	8,11
9,30	9,30	9,33	3,46	3,70	4,18
12,12	12,26	12,10	3,07	3,75	4,32
1.43	1,51	1,58	29	36	25
6,35	6,57	6,77	1,17	1,54	1,69
7,09	7,25	7,29	4,27	4,53	4,73
4,66	4,70	4,80	3,03	2,92	2,98
3,62	3,66	3,77	1,78	1,88	1,99
2,22	2,16	2,23	2,15	2,31	2,41
16	15	15	—16	—15	—15
65,57	66,53	67,18	27,45	30,57	32,77

APPENDIX

All Railways. (Commercial)

Statement of Receipts

RECEIPTS.	Actuals.					
	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	
	M.	M.	M.	M.	M.	
Open Mileage at end of the year.	26,985	27,090	27,664	28,086	29,111	
Passenger traffic earnings :—						
Upper class . . .	Rs. 4,42	Rs. 4,48	Rs. 4,46	Rs. 4,55	Rs. 4,45	
Third class . . .	31,58	32,17	30,91	31,81	30,89	
TOTAL PASSENGER EARNINGS	36,00	36,65	35,37	36,36	35,34	
Other coaching traffic earnings.	5,91	6,07	6,23	6,32	6,17	
Goods traffic earnings .	63,64	61,58	62,27	66,15	67,78	
Sundry earnings . .	1,64	1,76	1,73	2,01	2,11	
Suspense	2 ⁸	..	—6	—9	—25	
Credits for materials released from works chargeable to Depreciation Fund.	..	..	..	..	..
TOTAL GROSS RECEIPTS .	1,07,47	1,06,06	1,05,54	1,10,75	1,11,15	
Deduct—	Refunds of revenue collected.	*35	14	15
	Earnings of worked lines.	7,34	7,12	6,77	7,18	7,27
TOTAL . . .	1,00,13	98,94	98,42	1,03,43	1,03,73	
Miscellaneous Receipts .	51	89	1,09	1,25	1,57	
TOTAL . . .	1,00,64	99,83	99,51	1,04,68	1,05,30	

*Includes remissions of earnings also.

VI.

*and Strategic Lines together.)**and Expenditure.*

(Figures in lakhs of rupees.)

EXPENDITURE.	Actuals.				
	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.
	Rs.	Rs.	Rs.	Rs.	Rs.
Capital at charge at end of the year .	6,54,98	6,74,18	7,01,39	7,33,87	7,39,12
Working Expenses—					
Administration	12,33	12,77	13,06	13,44	14,19
Repairs and maintenance	18,10	17,18	18,16	18,05	18,11
Operation :—					
Other than Fuel	15,54	16,44	16,27	16,24	17,16
Fuel	9,76	10,27	8,79	8,81	8,71
Depreciation	10,35	10,67	10,82	11,38	12,00
Suspense	—38	—10	—6	3	—32
TOTAL	65,70	67,23	67,11	67,95	69,85
Deduct—share of worked lines	3,70	3,57	3,33	3,51	3,63
Net working expenses	62,00	63,66	63,78	64,44	66,22
Company's share of surplus profits, etc.	1,42	1,77	1,65	1,57	1,59
Interest :—					
On Government capital at charge	21,23	23,14	24,30	25,75	27,33
On capital contributed by the Companies	2,67	1,67	1,57	1,52	1,50
Total Interest	23,90	24,81	25,87	27,27	29,33
Miscellaneous charges	16	31	71	55	35
TOTAL	87,48	90,55	92,01	93,83	97,49
Balance net profit for the year	13,16	9,28	7,50	10,85	7,81
Contribution to General Revenues	6,78	5,49	6,01	6,28	5,23
Railway Reserve Fund	6,38	3,79	1,49	4,57	2,58
Railway Depreciation Fund . . . . .	..	..	..	..	..
Percentage of net profit on Capital at charge	2.0	1.4	1.1	1.5	1.1
Percentage of net profit (before deducting interest) on capital at charge	5.6	5.1	4.8	5.2	5.0
Operating ratio (i.e., ratio of working expenses including depreciation to gross traffic receipts)	61.9	64.3	64.8	62.3	63.8
Capital Expenditure—					
Open Line Works	10,07	15,31	16,13	22,16	15,99
New Constructions	3,12	4,32	6,76	10,29	9,25
Depreciation Fund	7,29	7,98	8,05	10,95	9,60
Purchase of Railways and branch line shares, etc.	19	..	4,33	3	4,11

NOTE.—Figures of capital at charge of 1924-25 to 1927-28 include sterling liabilities involved in the purchase of Railways converted at 1s. 4d. to the rupee and those of 1928-29 include sterling liabilities converted at 1s. 6d. to the rupee.

APPENDIX

All Railways. (Commercial)

Statement of Receipts

RECEIPTS.	Actuals.				
	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
	M.	M.	M.	M	M.
Open mileage at end of the year.	30,878	31,197	31,640	31,642	31,644
Passenger traffic earnings—	Rs.	Rs.	Rs.	Rs.	Rs.
Upper class	4,26	3,87	3,44	3,25	3,15
3rd class	31,49	27,81	25,52	25,69	24,50
TOTAL PASSENGER EARNINGS .	35,75	31,68	28,96	28,94	27,65
Other coaching traffic earnings.	5,81	5,40	5,28	5,03	4,92
Goods traffic earnings . . .	65,25	60,69	55,41	53,76	58,20
Sundry earnings	2,21	1,97	1,82	1,63	1,59
Suspense	30	46	34	4	—49
Credits for materials released from works chargeable to Depreciation Fund.	..	..	..	1,19	1,19
TOTAL GROSS RECEIPTS .	1,09,32	1,00,20	91,81	90,59	93,06
Deduct {	Refunds of revenue collected.	15	11	11	11
	Earnings of worked lines.	6,47	4,99	4,86	5,13
TOTAL	1,02,70	95,10	86,63	85,62	87,82
Miscellaneous Receipts . .	2,08	1,73	1,20	1,03	88
TOTAL	1,04,78	96,83	87,83	86,65	88,70

V—contd.

and Strategic Lines together.)

and Expenditure.

(Figures in lakhs of rupees.)

EXPENDITURE.	Actuals.				
	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.
	Rs.	Rs.	Rs.	Rs.	Rs.
Capital at charge at end of the year.	7,69,98	7,83,18	7,90,30	7,97,12	7,95,06
Working Expenses—					
Administration	14,40	14,89	14,66	12,59	12,43
Repairs and maintenance . .	18,43	15,91	14,21	15,94	16,13
Operation—					
Other than Fuel	17,05	17,59	16,21	17,64	17,64
Fuel	9,01	8,62	7,39	7,27	7,05
Depreciation	12,59	13,07	13,46	13,77	13,56
Suspense . . . . .	..	3	6	6	—8
Emergency deductions from pay	..	..	—59	—1,93	—1,07
TOTAL	71,48	70,11	65,40	65,34	65,66
Deduct—Share of worked lines	3,30	2,66	2,63	2,49	2,60
Net working expenses . . .	68,18	67,45	62,77	62,85	63,06
Companies share of surplus profits.	1,52	1,16	64	65	56
Interest—					
On Government capital at charge.	29,09	31,34	31,76	31,57	31,30
On capital contributed by the Companies.	1,37	1,38	1,31	1,34	1,28
Total Interest	30,46	32,72	33,07	32,91	32,58
Miscellaneous charges . . .	58	69	55	47	46
TOTAL	1,00,74	1,02,02	97,03	96,88	96,66
Balance net profit (+) or loss (—) for the year.	4,04	—5,19	—9,20	—10,23	—7,96
Contribution to General Revenues.	6,12	5,74	..	..	..
Railway Reserve Fund . . .	—2,08	—10,93	—4,95	..	..
Railway Depreciation Fund .	..	..	—4,25	—10,23	—7,96
Percentage of net profit on Capital at charge.	0.5	—0.7	—1.2	—1.3	—1.0
Percentage of net profit before deducting interest on capital at charge.	4.5	3.5	3.0	2.8	3.1
Operating ratio (i.e., ratio of Working Expenses including depreciation to Gross Traffic Receipts).	66.4	70.9	72.5	73.4	71.8
Capital Expenditure—					
Open Line Works	16,48	8,94	3,97	—50	—2,28
New Constructions	6,65	4,25	2,79	57	22
Depreciation Fund	11,76	11,40	8,26	6,35	8,08
Purchase of Railways and branch line shares, etc.	7,06	1	..	..	..

NOTE.—Figures of capital at charge include sterling liabilities converted at 1s. 6d. to the rupee from 1929-30 to 1931-32 and for 1932-33 and 1933-34 at the rates prevailing in the years in which the liabilities were incurred on the purchase of Railways

APPENDIX

All Railways. (Commercial)

Statement of Receipt

RECEIPTS.	Actuals.	Revised Estimate.	Budget Estimate.
	1933-34.	1934-35	1935-36.
	M.	M.	M.
Open mileage at end of the year	38,298	38,298	38,368
Passenger traffic earnings—	Rs.	Rs.	Rs.
Upper class.	3,15	3,05	3,10
3rd class	24,53	24,45	24,65
TOTAL PASSENGER EARNINGS	27,68	27,50	27,75
Other coaching traffic earnings	4,93	4,93	4,97
Goods traffic earnings	58,24	61,74	64,75
Sundry earnings	1,59	1,55	1,60
Suspense	—49	50	..
Credits for materials released from works chargeable to Depreciation Fund.	1,19	1,00	1,00
TOTAL GROSS RECEIPTS	93,14	97,22	1,00,07
Refunds of revenue collected	—12	—12	—12
TOTAL	93,02	97,10	99,95
Miscellaneous Receipts	1,00	1,01	1,02
TOTAL	94,02	98,11	1,00,97

VI—concl'd.

and Strategic Lines together.)

and Expenditure (including worked lines).

(Figures in lakhs of rupees.)

EXPENDITURE.	Actuals	Revised Estimate.	Budget Estimate.
	1933-34.	1934-35.	1935-36.
	Rs.	Rs.	Rs.
Capital at charge at end of the year . . .	7,95,06	7,96,53	8,01,99
Working expenses :—			
Maintenance of structural works . . .	8,81	9,05	9,00
Maintenance and supply of Locomotive power . . .	16,89	17,00	17,10
Maintenance of carriage and wagon stock . . .	5,79	6,00	6,10
Maintenance of ferry, steamers and harbours . . .	31	32	29
Expenses of Traffic Department . . .	10,79	10,90	10,95
Expenses of General Departments . . .	4,85	4,90	5,00
Miscellaneous Expenses . . .	4,51	4,40	4,30
Electric service Department . . .	1,21	1,23	1,24
Suspense . . .	—8	..	..
Emergency deductions from pay . . .	—1,07	—1,00	—8
Depreciation . . .	13,56	13,73	13,28
TOTAL . . .	65,57	66,53	67,18
Payments to worked lines . . .	2,55	2,65	2,70
TOTAL . . .	68,12	69,18	69,88
Companies share of surplus profits . . .	56	61	56
Interest :—			
On Government Capital at charge. . .	31,29	30,61	30,47
On Capital contributed by Companies . . .	1,29	1,23	1,22
TOTAL INTEREST . . .	32,58	31,84	31,69
Miscellaneous charges . . .	72	72	74
TOTAL . . .	1,01,98	1,02,35	1,02,87
Balance net profit (+) or loss (—) for the year . . .	—7,96	—4,24	—1,90
Contribution to General Revenues . . .	..	..	..
Railway Reserve Fund . . .	..	..	..
Railway Depreciation Fund . . .	—7,96	—4,24	—1,90
Percentage of net profit on Capital at charge . . .	—1.0	—5	—2
Percentage of net profit before deducting interest on capital at charge. . .	3.1	3.5	3.7
Operating ratio (i.e., ratio of Working Expenses including depreciation to Gross Traffic Receipts) . . .	70.5	68.5	67.2
Capital Expenditure—			
Open Line Works . . .	—2,28	1,46	4,76
New Constructions . . .	22	25	26
Depreciation Fund . . .	8,08	8,00	9,50
Purchase of Railways and branch line shares, etc. . .	..	—24	44

NOTE.—Figures of Capital at charge include sterling liabilities converted at the rates prevailing in the years in which the liabilities were incurred on the purchase of railways.

APPENDIX VII.

Railway Depreciation Reserve Fund.

(Figures in lakhs of rupees.)

Year.	Opening balance.	Appropriation to Fund.	Withdrawals to meet cost of renewals and replacements.	Net accretion to Fund during year.	Temporary withdrawals.	Closing balance.
1924-25 . .	..	10,35	7,29	3,06	..	3,06
1925-26 . .	3,06	10,67	7,99	2,68	..	5,74
1926-27 . .	5,74	10,89	8,05	2,84	..	8,58
1927-28 . .	8,58	11,38	10,95	43	..	9,01
1928-29 . .	9,01	12,00	9,60	2,40	..	11,41
1929-30 . .	11,41	12,59	11,76	83	..	12,24
1930-31 . .	12,24	13,07	11,39	1,68	..	13,92
1931-32 . .	13,92	13,46	8,26	5,20	4,25	14,87
1932-33 . .	14,87	13,77	6,35	7,42	10,23	12,06
1933-34 .	12,06	13,56	8,07	5,49	8,05	9,50
1934-35 (Revised Estimate).	9,50	13,73	8,00	5,73	4,24	10,99
1935-36 (Budget Estimate).	10,99	13,28	9,50	3,78	1,90	12,87

* These are entirely to meet the deficits in the working of the State railways except in 1933-34, the figure for which includes a loan of Rs. 9 lakhs made to certain branch line companies for capital expenditure.

PART II.

General Budget

Speech by the Hon'ble Finance Member

on introducing the

Budget Proposals for 1935-36.

1. It is to me somewhat confusing to find that I have to present three sets of accounts. English budget statements, which are made in April, of course only deal with the year which has just closed and the year which has just begun. In India it is necessary to give the final accounts of the year which ended eleven months earlier, a revised forecast of the outturn of the year which has still one month to run and a forecast of a year which has not yet started. I hope that I shall be able to give a clear but succinct account of all three years, and in doing so I shall avoid all attempts at economic speculation—for I do not think it would be helpful to add one to the infinitude of economic theories which are circulating in India in particular and the world in general—and I shall confine myself to that bare minimum of prophecy which is incidental to presenting a budget statement.

FINANCIAL YEAR 1933-34.

2. I begin by setting out the final results of the year 1933-34.

When my predecessor presented his budget last February, it was anticipated that, after a provision of Rs. 3 crores had been made for debt reduction, the year 1933-34 would close with a surplus of Rs. 1,29 lakhs. The actual figure is Rs. 2,72 lakhs. The main causes of this improvement of Rs. 1,43 lakhs are four :

First, the fact that a somewhat unusual number of holders of Government securities failed to draw their interest; secondly, the fact that recoveries from commercial departments were larger than expected; thirdly, forestalling in anticipation of an increase in the salt duty; and fourthly, the fortunate non-realisation of our expectations of a reduction in receipts from Income-tax in the areas affected by the earthquake of January, 1934.

It will be remembered that my predecessor announced that the surplus would be carried to a suspense account and utilised for financial assistance in connection with the earthquake. The Government of India accordingly offered to provide the whole of the financial help required by local bodies to enable them to repair the damage done to roads, bridges, schools, hospitals and other buildings, and to carry out their current responsibilities until their income had regained its normal level. The latest estimate received from the Government of Bihar and Orissa indicates that the amount required for this purpose will be approximately Rs. 1,25 lakhs. In addition about Rs. 5 lakhs were required for the provision of country mills for the crushing of sugar-cane which could not be sent to the factories. It was further decided that the Central Government would assist the Government of Bihar and Orissa in reconstructing Government property which had been damaged by the earthquake to the extent of providing one half of the total capital expenditure involved and financing the remainder from the Provincial Loans Fund. The Local Government now anticipate that the grant required from us in this connection will amount to Rs. 51 lakhs. It was originally proposed that this should be treated as capital expenditure and should not be

debited to the special suspense account, but in view of the large increase in the surplus for 1933-34 we now think it more convenient to meet this expenditure also from the suspense account. So far as Bihar is concerned, therefore, the total liability of the Central Government amounts to Rs. 1,25 lakhs *plus 5 plus 51*, a total of Rs 1,81 lakhs. In addition to this we shall need about Rs 6 lakhs for the repair of earthquake damage in Bengal and we have also certain contingent liabilities in respect of loans granted to individuals in Bihar whose property was damaged by the earthquake, since it was agreed that in certain circumstances the Central Government would meet part of any loss which may result from the failure of the Local Government to recover these loans. So far as it is possible to judge at present, this liability will not amount to a very large sum, but in order to have a margin for unforeseen contingencies, we propose to retain in the suspense account a total sum of Rs. 2.10 lakhs.

This leaves Rs. 62 lakhs to be carried forward to fortify the balances of the current year.

FINANCIAL YEAR 1934-35.

3. I now turn to the current year 1934-35 Our revised forecast shows a material improvement over the original budget anticipations and the surplus is now expected to be Rs. 3.27 lakhs instead of 10 lakhs. The difference is made up of an improvement in revenue of Rs. 3.87 lakhs and a deterioration of Rs. 70 lakhs in expenditure.

Incidentally, I must here make an apology to my predecessor for a somewhat gloomy remark I made last August as to the prospects of realising his revenue estimates. I ought to have known better than to turn myself into a prophet on so slight an acquaintance with India. It would also be fitting that I should pay a tribute to him for the hard and unpleasant work he performed in securing budgetary equilibrium in this country and express my sympathy that the fruits of his unremitting toil should not have fallen to him before his departure.

The actual figures, excluding Railways, are as follows :

		(Lakhs.)	
		Budget 1934-35.	Revised 1934-35
Revenue	. . . . .	87.13	91.00
Expenditure	. . . . .	87.03	87.73
Surplus	. . . . .	10	3.27

Full details are of course given in the Financial Secretary's memorandum but I should perhaps call attention to a few of the more important variations.

Revenue.

4. *Customs, etc* —On the Revenue side the surplus is in the main due to Customs, etc., the principal items being :

	Lakhs.
Sugar	1.38*
Cotton fabrics	90
Yarn and textile fabrics other than artificial silk	80

There have also been increases under motor cars, machinery, petrol and kerosene offset by decreases in the export duties on jute and rice and in the excise duties on matches. The actual figure for the export duty on jute—to which I shall have to return later—is Rs. 3.40 lakhs as compared with the Budget Estimate of Rs 3.80 lakhs.

5. *Interest*—Apart from Customs, etc., the only Revenue item I need mention specifically is Interest. Here, although the head discloses an increase of Rs 26 lakhs only, this is made up of a considerable reduction of rupee, combined with a somewhat greater increase of sterling, receipts. The latter is due to our increased sterling balances but the former calls for more detailed comment.

The budget estimates for the current year provided for a receipt of Rs. 67 lakhs on account of interest on the loan granted to Bahawalpur State. During the year we have reconsidered the position with regard to this loan on the basis of the latest forecast supplied by the Public Works and Revenue Minister of the State. The forecast indicated that although the Sutlej Valley Project should ultimately yield a surplus which will be sufficient for the service of a loan of the existing dimensions, the surplus available for this purpose during the current and the next financial years is likely to be of negligible amount and will certainly be insufficient to pay interest at the prescribed rate, which for the greater part of the loan is $5\frac{1}{2}$ per cent. In view of the recent fall in our borrowing rates the project could now be regarded as reasonably profitable even if it should prove to be unable to pay as high a rate as $5\frac{1}{2}$ per cent, and we might with some justification have proposed an immediate reduction in this rate. As, however, the forecast is admittedly of a very provisional character, we have considered it preferable to defer a final settlement of the terms of repayment of the loan and to avoid taking any step, such as a reduction in the rate of interest, which might prejudice the provisions of that settlement. We have instead decided to charge no interest for a period of two years commencing with the payments which were due to be received during the current financial year. So far as the current year is concerned, this decision involves only a paper loss, since we should in any case have received practically nothing from the State. The final terms of repayment will be considered before the end of the period of two years, and in connection with that settlement we shall of course take into consideration the remission of interest charges which is now being granted.

Expenditure.

6. *Grant to Jute producing Provinces.*—The main part of the increase of Rs. 70 lakhs in Expenditure is due to the allocation to Bengal, Bihar and Orissa and Assam of a larger share of the proceeds of the jute duty than was originally provided for. The figures are now expected to be:

Bengal	.	.	.	.	.	.	149.3 lakhs.
Bihar and Orissa	.	.	.	.	.	.	11.2 „
Assam	.	.	.	.	.	.	8.5 „

During the debate on the Matches (Excise Duty) Bill last April my predecessor explained that, in view of the reduction in the rates originally proposed for the duty, the abnormal issues from factories during March 1934, and the dislocation in the interval before banderols were available, we should probably only collect eight months' revenue in the first year.

Our estimate of income from this source during 1934-35 was, therefore, reduced to Rs. 1,38 lakhs, and consequently we were unable to promise the jute producing provinces the full amount of assistance originally proposed. Our final estimates were accordingly based on the assumption that those Provinces would be given only one-third instead of one-half of the total receipts from the export duty on jute. At the same time it was made clear that we should be prepared to increase this proportion to one-half if the budget as a whole should turn out better than was then anticipated. This condition is clearly in process of being fulfilled. But the transfer was subject, in the case of Bengal, to the further condition that the Government of that province must satisfy us that they are doing everything possible on their side to restore equilibrium. I have twice discussed this question with the Government of Bengal, and I am satisfied that the Local Government cannot reasonably be expected to secure further material reductions in their present scale of expenditure. Indeed in some respects it seemed to me that retrenchment had been carried to the point where it was unremunerative. On the other side of the account, however, the Government of Bengal have, of their own accord, introduced five new taxation Bills which are expected to produce a total additional revenue of about Rs. 24½ lakhs in a full year. For my part I am bound to regard this action as conclusive evidence of the determination of the Local Government to do whatever they can to put their own affairs in order.

7. *Interest*—On the Expenditure side too it is necessary to mention the Interest heads. Again they show little variation as a whole but there is an excess on "Other Obligations" because of Provident Fund and Post Office Savings Bank deposits being higher than anticipated and of an increase in the amount of accrued bonus on cash certificates; and there is a saving on "Ordinary Debt" owing to the non-payment of the 58 lakhs due to the United Kingdom on the 1st December 1934 on account of the outstanding War Loan liability. Incidentally the United Kingdom has agreed that this non-payment should continue for the year 1935-36.

8. *Posts and Telegraphs*.—Finally I should say a word about Posts and Telegraphs.

The position is as follows :

		(Lakhs.)	
		Budget 1934-35.	Revised 1934-35.
Gross receipts	. . . . .	10,71	11,05
Working expenses	. . . . .	10,01	10,07
		<hr/>	<hr/>
Net receipts	. . . . .	70	98
Interest charges	. . . . .	84	84
		<hr/>	<hr/>
Balance	. . . . .	—14	+14
		<hr/>	<hr/>

We thus estimate that the year will close with a net surplus of Rs. 14 lakhs as compared with the deficit of Rs. 14 lakhs which was anticipated. The improvement is mainly due to increased sales of stamps, and it is satisfactory that this Department which since 1927-28 has been working at a loss is this year expected to show a small profit. But it is unfortunately not quite so satisfactory as it looks, for it will be remembered that it was decided to draw on the Depreciation Fund to the extent of Rs. 27 lakhs and to that extent, therefore, the accounts do not show a true picture.

Position as at 31st March 1935.

9. On the figures, which I have so far explained to the House, we shall, at the end of March next, have in hand two surpluses, one for 1933-34 of Rs. 62 lakhs and one for 1934-35 of Rs. 3,27 lakhs making Rs. 3,89 lakhs in all. I shall return to the disposal of this amount later, but in the meantime I turn to the estimates for the coming year 1935-36.

FINANCIAL YEAR 1935-36.

Revenue.

10. The total revenue, excluding Railways, may be put at Rs. 90,19 lakhs or 81 lakhs less than the revised estimate for the current year.

Customs, etc.—Here I estimate for Rs. 51,92 lakhs altogether or an increase of Rs. 75 lakhs over the revised figures for the current year. The main variations are a decline of Rs. 2 crores in the import duty on sugar combined with increases of Rs. 35 lakhs on the sugar excise, of Rs. 65 lakhs on the match excise and of Rs. 43 lakhs on kerosene and petrol. It is of course a matter of great difficulty to frame an accurate estimate of customs, etc., revenue at a time when there are so many uncertain factors at work. This uncertainty applies in a particular measure to the sugar duties. As I have already stated, our estimates for the current year have been revised to show an increase of Rs. 1,70 lakhs in the import duty and a decline of Rs. 32 lakhs in excise—the original figures being Rs. 2,05 and 1,47 lakhs respectively, and the revised Rs. 3,75 and 1,15 lakhs. We cannot, however, anticipate that the revenue from the import duty will remain at so high a figure in 1935-36 and the increased revenue to be expected from the excise duty will by no means compensate for this inevitable reduction. During the period when Indian factories were not working at their full strength, imports have been substantial, but when Indian production reaches its full level, imports of foreign sugar for ordinary consumption will almost disappear, and there will only be certain small imports of the finer varieties of sugar. This process may not, however, be completed during 1935-36 and the best forecast we can make is to assume an import revenue of Rs. 1,75 lakhs and an excise yield of Rs. 1,50 lakhs. The increase in petrol and kerosene is due to normal growth and that in the match excise merely represents a full instead of a part year's yield of the duty.

The changes in the estimates are set out in greater detail in the Financial Secretary's memorandum.

11. *Taxes on Income.*—During the current year there has been an undoubted improvement in the financial position of some of the more important industries, but this improvement will only be partially reflected in our Income-tax returns for 1935-36. I therefore estimate for an improvement of no more than Rs. 51 lakhs and of this Rs. 16 lakhs is due to the additional tax recovered from Government servants on account of the restored pay-cut. The actual figures are Rs. 17,25 lakhs for the current year and Rs. 17,76 for 1935-36.

12. *Opium.*—Our estimate under this head is Rs. 61 lakhs as compared with Rs. 71 lakhs for the current financial year. This is based on the assumption that only 257 chests of opium will be exported during 1935-36. As Honourable Members are aware, this source of income will practically cease at the end of the present calendar year in accordance with the policy which was announced some years ago by the Government of India, and in future we shall recover only the cost of opium sold for consumption in India.

13. *Interest.*—This shows a very large reduction amounting to Rs. 1,29 lakhs which is of course due to the transfer of the currency functions and, therefore the reserves, of the Government of India to the Reserve Bank. It is true that as against this we shall get the surplus profits of the Bank, but in the first year, instead of getting a full year's interest on the assets in our various reserves and balances, we shall only get a part year's dividend from the profits of the Bank. We have included Rs 50 lakhs on this account under the head "Currency" but the receipts here still show a drop of Rs. 11 lakhs owing to the lower rates prevailing for short term money.

Expenditure.

14. Expenditure as a whole, again excluding Railways, stands at Rs. 88,69 lakhs showing an increase of Rs. 96 lakhs which is of course almost entirely due to the restoration of the pay cut. A good deal of criticism has been passed on the Government's action in this matter and it cannot be denied that the decision has had one unfortunate concomitant in that it has increased the already serious difficulties of many of the Provinces and added to the magnitude of the financial problems to be solved at the inception of Provincial Autonomy. But in this matter the Government were bound by pledges which were both categorical and repeated and in my view those pledges are conclusive.

The cost of restoration will be Rs 55 lakhs for the Civil Departments, excluding the Railways, but including the Posts and Telegraphs Department, and Rs. 53 lakhs for the Army, a total of Rs 1,08 lakhs, but there is, as I have said, a set off against this in the form of extra income-tax to the extent of Rs. 16 lakhs.

Apart from the pay cut, there are only minor increases, most of them on new services, e.g., the marketing scheme, grants to the handloom and sericultural industries, the new Dairy Institute and the Institute of Industrial Research. There is also a small increase on Defence and a deficit on Posts and Telegraphs, which is, however, more than explained by the abolition of the pay cut.

15. *Defence.*—The Defence Budget shows an increase, leaving out of account the pay cut, of Rs. 7 lakhs over the original estimate for this year but the partial restoration by His Majesty's Government of the pay cuts of British soldiers, which has necessarily to be applied to British soldiers on the Indian establishment, accounts for Rs. 5 lakhs of this. The purely nominal increase of Rs 2 lakhs which remains conceals, however, a considerably increased provision for necessary services and re-equipment which had to be postponed during the financial emergency.

In his budget speech last year my predecessor again communicated to the House a warning previously given that the large reduction in Defence expenditure in recent years had been secured to some extent by emergency measures of a temporary character and that the figure of Rs 44.38 crores could not be regarded as representing a new permanent level of Defence expenditure. The contingency then foreseen has become a fact and new or rather postponed services amounting to Rs. 67 lakhs have had to be provided for. This sum has been found as to Rs. 20 lakhs by closer estimating for grains and other food stuffs and as to the remainder by economies in other directions.

My predecessor also stated that His Excellency the Commander-in-Chief had undertaken that he would not relax his search for further economies and I think it will be agreed that the figures I have given demonstrate that this undertaking has been amply fulfilled.

16. *Posts and Telegraphs*.—Honourable Members will remember that I said we now expected a surplus on the Posts and Telegraphs accounts for 1934-35 amounting to Rs. 14 lakhs but that this result was only achieved in consequence of a raid of about Rs. 27 lakhs on the Depreciation Fund. At the time of this raid my predecessor explained that this could not be repeated *in toto* but that the whole question of the amount of the annual contribution to the Fund was under review. The final results of this review are not yet available but it is clear that the amount to be provided need not be so high as under the old rules by something like Rs. 10 lakhs. There is here, therefore, a deterioration in the estimates for 1935-36 as compared with 1934-35 and it is one of Rs. 19 lakhs and not one of Rs. 27 lakhs. When we add to this the cost of restoring the pay cut for the Posts and Telegraphs Department, *viz*, Rs. 27 lakhs, we get an initial disadvantage of Rs. 46 lakhs to be made up. We are, however, estimating for a deficit not of Rs. 32 lakhs but of Rs. 13 lakhs which means that comparing like with like we reckon on a net improvement of Rs. 19 lakhs.

17. *Reduction of Debt*—There is only one other item which I wish specifically to mention at this stage and that is the provision for the reduction and avoidance of debt. As Honourable Members are aware, our revised estimates for 1933-34 and those for the current financial year included only Rs. 3 crores for this purpose. It is of course a matter of common knowledge that 60 per cent. of the Government of India debt is attributable to the Railways and it seems to me that it would be imposing too heavy a burden on the general Budget to revert to the Sinking Fund arrangements in force prior to 1933-34 before the Railways have resumed the practice of making a contribution to the General Revenues. I, therefore, accept as reasonable for the time being the provision of Rs. 3 crores now prevailing but I should like to make it clear that, in my view, an increased provision for debt reduction ought to be a first charge on any contribution from the Railways in the future.

18. It is interesting here to compare the budget expenditure, actual or estimated as the case may be, for the years 1931-32 onwards and in order to get a fair basis of comparison, I deduct in every case the provision for debt reduction and avoidance and take net figures for Interest, Posts and Telegraphs and Defence :

1931-32	1932-33	1933-34	1934-35	1934-35	1935-36
Actual.	Actual.	Actual.	Budget.	Revised	Budget.
88,78	80,59	75,97*	78,12	78,53	80,06

The lowest year was 1933-34. The estimate for 1935-36 shows a net increase from this low level of Rs. 4,09 lakhs. Of this, Rs. 1,79 lakhs is due to the grant of a share of the jute duty to Bengal, Bihar and Orissa and Assam, Rs. 1,30 lakhs is due to the increased provision for bonus on Cash Certificates and Rs. 1,08 lakhs represents the cost of restoring the second half of the pay cut. Apart from these changes the remarkable economies made in Defence and other charges have not only been maintained but extended.

Summary of the position for 1935-36.

19. The final position for 1935-36 is thus as follows :

Revenue	.	.	.	.	.	.	90,19 lakhs.
Expenditure	.	.	.	.	.	.	88,69 „
							<hr/>
Surplus	.						1,50 lakhs.

*Excludes Rs. 2,72 lakhs transferred to the Earthquake Fund.

WAYS AND MEANS.

20. Before explaining our proposals for dealing with the surplus of Rs. 1,50 lakhs which we anticipate in the year 1935-36 and with the accrued balance of Rs. 3,89 lakhs left over from previous years, I shall turn aside to deal briefly with the ways and means position

21. *Reserve Bank.*—First of all let me refer to the changes due to the inauguration of the Reserve Bank. As has already been announced, the assets of the Currency Department will be transferred to the Bank with effect from the 1st of April 1935. From that date the Reserve Bank will be responsible for the maintenance of the currency, for the investment of the currency reserves in rupees and sterling and for supplying the Secretary of State with sterling for his London requirements. The effect of this on our ways and means estimates will be twofold. In the first place, once the new system is in full operation the Secretary of State will not maintain a larger balance in London than is necessary for his day to day transactions with the Bank of England. He will not, as he does at present, hold surplus funds for temporary investment until he requires them. For this reason you will see that at the end of the next year we have provided for the reduction of his balance to a nominal amount of £500,000. To begin with, as it is not contemplated that the Reserve Bank will assume its full banking business until about the beginning of July, it seemed desirable, in order to avoid the necessity of his coming to the Bank for his sterling requirements during that period, to provide him with a sufficiently large opening balance to meet his requirements up to July.

The second change is consequent on the creation of a Silver Redemption Reserve. A memorandum on this subject was submitted to the Joint Select Committee on the Reserve Bank Bill, but the Committee recommended that the Government proposals should be further studied by the Legislature. In accordance with their recommendation the memorandum was submitted to the Standing Finance Committee at a meeting held on the 20th of March, 1934, and the Committee expressed their general approval of the arrangements suggested. The proposal which was placed before the Committee was in brief that after the inauguration of the Reserve Bank the proceeds of any sales of silver should be credited to a separate Fund on the lines of the present Gold Standard Reserve which would be called the Silver Redemption Reserve and would be invested by Government in its entirety in gold or sterling securities. This Reserve is required mainly to meet the liability imposed by Section 36 of the Reserve Bank Act under which Government are under an obligation to pay full value for surplus rupees which may be transferred by the Bank up to a maximum of five crores a year. It was originally intended that the Reserve should be gradually built up to a maximum of Rs. 10 crores which would be sufficient to meet a return of 25 crores of rupees by the Bank. Owing to the large remittance which it has been possible to make during the current financial year, the balances at the disposal of the Secretary of State will now be sufficient to enable the Fund to be constituted with the full amount of Rs. 10 crores with effect from the 1st of April 1935.

22. *Remittance.*—The ways and means forecast for the current financial year provided for the purchase of sterling to the extent of £26·7 millions. According to our latest estimate the total should reach about £39 millions, but this figure is of course liable to modification. If the estimate is realised, we should be able not only to set aside the Rs. 10 crores required for the Silver Redemption Reserve but also to increase by about Rs. 14 crores the external assets held as security for the note issue.

23. *Gold exports*.—The increase in our estimate for remittance is, needless to say, largely accounted for by the strength which the continuance of gold exports has given to the exchange. For the 10 months ending on the 31st January 1935 the exports of gold were approximately Rs. 41 crores as compared with Rs. 42½ crores during the corresponding period of the previous year.

I do not propose to discuss at length the arguments which have been advanced in favour of restricting these exports, but I take this opportunity of saying that I cannot share the views which attribute to them some abstruse monetary significance nor do I find in them an indication that India is being driven by distress to part with her last reserves. Indeed I can see no sufficient reason for placing them in a different category from exports of any other commodity of which India has a surplus, and I, therefore, find no cause for regret or alarm in the fact that India is still able to obtain so handsome a profit from the reserves of gold which had been accumulated in previous years.

24. *Post Office Cash Certificates and Savings Bank deposits*—It will be observed from the ways and means statement which is printed with the Financial Secretary's memorandum, that the figure for net receipts from Post Office Cash Certificates has been reduced in the revised estimate for the current year from Rs. 5.50 lakhs to Rs. 2.78 lakhs, and that we have included Rs. 2.75 lakhs under this head in our forecast for next year. This is of course due to the reductions in the rate of interest on these certificates which took place in April and December 1934, the actual rate being now 3 per cent. Post Office Savings Bank deposits, on the other hand, show a net increase from Rs. 6.00 lakhs in the original estimates for the current year to Rs. 7.10 lakhs in the revised and Rs. 8.75 lakhs in the forecast for 1935-36. The rate of interest on these deposits has been 2½ per cent. since the end of 1933, and this is clearly becoming increasingly attractive with the general decline in security yields.

25. *Provincial requirements*—The revised estimate here shows a reduction from Rs. 6.25 lakhs to Rs. 4.40 lakhs, but we have provided in our forecast for 1935-36 for an increase to Rs. 10.82 lakhs, owing to the fact that we have decided to finance the repayment of the Bombay Development Loan, 1935.

26. *Treasury Bills*.—Last year my predecessor estimated that at the end of the financial year the amount of treasury bills outstanding with the general public would be about Rs. 30 crores. The actual figure on the 1st of April 1934 was Rs. 33.31 crores. In addition treasury bills held in the Paper Currency Reserve amounted to Rs. 25.93 crores. The figures for the 31st March 1935 are expected to be Rs. 22 and Rs. 27½ crores respectively. After the transfer on the 1st of April 1935 of the assets in the Paper Currency Reserve to the Reserve Bank, all treasury bills will be shown under one head. On this basis the figures for the beginning and end of the year 1934-35 are Rs. 59.24 and Rs. 49½ crores respectively and in our forecast for the coming year we have anticipated a further reduction to Rs. 46 crores.

27. *Borrowing programme*—We have issued two loans in India during the current year. The first was a re-issue of 3½ per cent loan 1947-50 at 98/8 per cent and the amount subscribed was approximately Rs. 25.13 lakhs. A few months later owing to the continued improvement in our credit we were able to issue a rupee loan at a nominal rate of 3 per cent for the first time since 1896. The 3 per cent bonds 1941 were issued at 99 per cent, and the amount subscribed was Rs. 10.67 lakhs. As a result of these new loans we have been able to repay Rs. 19.48 lakhs of 4 per cent loan 1934-37 and Rs. 12.94 lakhs of 4½ per cent bonds 1934. Both of the new issues stand well above their

original price. Next year we shall have to provide for the repayment of Rs. 16 crores of 6½ per cent Treasury Bonds, 1935, and Rs 11 4 crores of 5 per cent Bonds 1935. We have also the option of repaying £11 9 millions of 6 per cent Sterling Bonds 1935-37 and £3½ millions of East Indian Railway 4½ per cent debenture stock 1935-55. The total amount of loans which we can repay or convert is thus approximately Rs. 48 crores. In addition to this, we are, as I have just said, providing for the repayment of the Bombay Development Loan, 1935, and we expect to reduce the total amount of treasury bills outstanding by a further Rs 3½ crores. Allowing for a remittance of £26 millions, we anticipate that we could meet all these liabilities without raising more than Rs. 25 crores by fresh borrowing, but of course the amount, time and manner of our borrowing will depend entirely on market conditions during the year.

PROPOSALS FOR 1935-36

28 I now come to our proposals both in regard to the balance of Rs 3,89 lakhs which we expect to have at 31st March next and to the surplus of Rs 1,50 lakhs which we estimate for 1935-36. The former is, of course, non-recurrent and is only available for non-recurring purposes. The latter represents the maximum limit of the sums which can be devoted to tax-reduction during the year 1935-36.

29. *Grants to provinces for schemes in rural areas.*—To take the non-recurrent balance of Rs 3,89 lakhs first we consider that the needs of the rural areas should have the first claim on this and we have decided to set aside a sum of Rs. 1,00 lakhs for distribution to the provinces to be spent on schemes for the economic development and improvement of such areas. I recognise that it may be contended that schemes for rural development are primarily the function of Provincial Governments, whether those schemes take the form of the introduction of improved methods of agriculture, the establishment of industries to give employment to, and increase the income of, the cultivators, or measures designed to effect a general improvement in the condition of village life. It is a problem to which all Local Governments are fully alive and to which Provincial Ministers in particular have devoted much attention, since these matters were entrusted to them. Schemes have been examined and worked out but unfortunately many of them are still merely paper schemes, for even before the financial stringency of recent years some Local Governments could only devote very inadequate funds to those purposes and in the recent years of crisis and retrenchment it has been impossible for any Local Government to find money for new projects however likely they were to contribute to the prosperity of the province. We feel therefore that now when the Central Government fortunately happens to have balances on which it can draw, we cannot do better than make some share of it available to the provinces to carry out schemes which have been held up and thereby show that the Government of India have a very deep concern with the welfare and prosperity of the cultivators and are prepared to help Local Governments to carry out schemes for their benefit.

I have used the expression economic development and improvement of rural areas and I have indicated that I use that expression in a wide sense to cover any measure which will conduce to the amelioration of the conditions of the cultivators and rural classes. One such measure is the Co-operative Movement and we have for the last seven or eight months had an expert on duty under the Central Government to examine how the movement stands. Mr. Darling who has acquired great experience of the movement in the Punjab has

been touring round the provinces discussing the question with Local Governments and Provincial Registrars. We propose to earmark a sum of Rs. 10 to 15 lakhs out of the crore which I have mentioned and this, we hope, will enable governments to develop the movement on sound financial foundations. Details of the measures and the conditions on which the grants will be given will be settled after we have considered Mr. Darling's Report.

As regards the remaining Rs. 85 to 90 lakhs I do not propose at present to define very closely the terms on which it will be distributed to the Provinces or the purposes for which it will be used. I may, however, say that we shall probably adopt the basis of rural population for distribution and we shall certainly impose the two following conditions:

- (1) that the grant should be spent on schemes approved by the Government of India which will improve the economic position of the people, and
- (2) that it will be devoted only to schemes which the Local Government would not otherwise have been able to undertake in the immediate future.

We shall give preference to schemes which can be put quickly into operation but the money need not all be spent immediately or during the year 1935-36. Some provinces may not have schemes in final shape; in others the Local Government may prefer to spread the expenditure over more than one year. It will of course rest primarily with the Local Government to decide what schemes can most profitably be undertaken. What may be suitable in one province will not necessarily be suitable to another, but Provincial Ministers are fully acquainted with local conditions and the needs of the rural population and will know what is most suited to those needs. We shall keep the public fully informed of what is done in each province. Having regard to the huge population of rural India I recognise that the sums we are allotting will not go very far, but they will at least do something to help the cultivator.

30. Roads.—We also propose to make a special contribution of Rs. 40 lakhs to the Government of India's reserve in the Road Development Fund. There is obviously great scope for expenditure on road development, and I am very glad to be in a position to supplement the somewhat exiguous resources of the Road Development Fund reserve, which was designed, as Honourable Members are aware, for the purpose of making grants towards works of special importance or to specially necessitous parts of India. The Government have drawn up a programme for the expenditure of the additional sum now available and in this prime consideration is being given to the needs of the Province of Assam, which seems to me to be about the most necessitous of all the provinces.

31. North-West Frontier Roads.—A further sum of Rs. 25 lakhs we propose to set aside for schemes of development in the North-West Frontier Province. Most of this will be spent on the construction of roads in the tribal areas, and the remainder will be devoted to schemes of economic development in that area. I wish to make it clear that we have no intention of implementing this policy by force or without the consent of the tribes in whose territory the roads will be constructed. A petition has already been received from the Afridis asking that a road may be constructed through a small area in Tirah and it is hoped that this development may lead to a fuller recognition, not only by this important tribe but also by others, of how their true interests are served by improvement of their communications with British India. It is considered that from the point of view of Government this expenditure, which will probably be spread over several

years, is fully justified both on financial and political grounds. As the House is aware the relations between the frontier tribes and Government have not always been peaceful and very large sums have been expended from time to time upon military operations of a punitive and wholly unproductive nature. We hope that by improving communications and by assisting the tribes to become economically self-supporting we shall not only avoid the necessity for such operations in future but shall transform in course of time a potential danger into a source of strength to India.

32. *Broadcasting*.—The last item of special expenditure which I have to mention in this connection is a provision of Rs 20 lakhs for the development of Broadcasting. As has already been announced, it is proposed shortly to construct a large transmitting station in Delhi, and we hope later to undertake the construction of a similar new station at Madras. The existing stations at Calcutta and Bombay are also in urgent need of improvement and extension. Broadcasting is of course an immensely important factor in the intellectual and cultural development of a country and India cannot afford to fall too far behind in this matter.

33. After these special grants have been made there should remain a balance of Rs. 2.04 lakhs. A large part of this sum I propose to put aside for two schemes which it was provisionally decided to finance from capital. These are the civil aviation programme, which is expected to cost Rs. 93 lakhs, and the transfer of the Pusa Institute to Delhi which will cost about Rs. 36 lakhs. I was not myself very happy about the decision to charge to capital these two schemes, which are certainly not in any strict sense of the word remunerative. And now that we have an accrued revenue surplus it seems to me sound policy to use part of it for these purpose and to avoid the creation of what might have become an awkward precedent. The remainder of the surplus amounting to Rs. 75 lakhs will now go as an additional allotment for the reduction of debt and this concludes the disposal of the sums which we expect to have in hand on the 31st March next.

DISPOSAL OF SURPLUS FOR 1935-36.

34. We can now turn to next year and the surplus of Rs. 1.50 lakhs available for tax reduction. But I must first mention three items which though they do not appreciably affect the financial position are nevertheless of some importance.

35. *Additional Import Duty on Salt*.—The first of these is the additional import duty on salt. Personally I am very doubtful whether this duty can ever achieve the purpose for which it was designed. I have moreover a good deal of sympathy with the views which have in the past been expressed by Honourable Members from Bengal that an impost which has the effect of helping the producers of Aden at the expense of the consumers of Bengal is fundamentally unfair. In any case the duty will require reconsideration in view of the impending separation of Aden and Burma. Taking all these things into consideration I was disposed to think that the duty ought to be abolished at once but that would perhaps have been a little harsh to the vested interests which have grown up and I shall, therefore, propose to the House that the duty shall be extended for one year, without prejudice to any action which Government may see fit to take at the end of that year. I hope that this extension will be accepted by the House though I should perhaps make it

clear that, if it should prefer to remove the duty at once, in this matter at any rate we should accept its decision. Incidentally we do not propose to make any change in the arrangement for the distribution of the proceeds of the duty.

36. *Silver*.—The next is silver and here we propose to reduce the duty to two annas an ounce. This action is dictated by no theory as to the place to be taken by silver in the monetary economy of the world nor has it any connection with the view sometimes expressed that India should be encouraged to build up her hoards of the metal. It is simply a matter of business. There is no doubt that at the present level the duty is encouraging smuggling, there is no doubt that this smuggling is extremely difficult to prevent and there is no doubt that the honest trader is being injured by the illicit trade which is being carried on. At the lower level which we now propose smuggling should become unprofitable and the honest trader will come into his own. I propose to assume that we shall get the same yield from the two annas as would have been obtained from the five anna duty which is, I think, fully justified by the circumstances in which the reduction is taking place. The reduction will take place immediately by notification.

37. *Export Duty on Skins*.—The third change of a minor order is the abolition of the export duty on raw skins. During the eight months ending 30th November 1934 the export trade in raw skins declined in volume, as compared with the corresponding period of the previous year, from 13,133 tons to 8,938 tons and in value from Rs. 2,24 lakhs to Rs. 1,19 lakhs. We all believe of course that the most necessary factor in India's economic recovery is a revival of her export trade. Many of us feel angry and humiliated at our inability to suggest any positive action designed to promote that end apart from international action of a kind which is not at present likely to be taken, namely, a general agreement to reduce tariffs and quotas. But here is one case, though unfortunately only a small one, where some action is possible within the bounds of our available resources and I think that it should be taken. The change will take place as from the 1st April and the loss of revenue will be Rs. 8 lakhs.

MAIN PROPOSAL FOR 1935-36.

38. *Reduction of Taxes on Income*—We still have Rs. 1,42 lakhs left to dispose of and I propose to do this in accordance with the pledge of my predecessor in which he said "Relief must come first in restoring the emergency cuts in pay and secondly in taking off the surcharge on the income-tax now to be imposed."

Although the tax on smaller incomes was not strictly a surcharge, it does, I think, come within the spirit of the pledge and I propose to deal with it and the surcharges on income-tax and super-tax together. The removal of the surcharges altogether would cost Rs. 3,34 lakhs a year while the removal of the tax on incomes between Rs. 1,000 and Rs. 2,000 would cost a further Rs. 75 lakhs. Clearly with a surplus of Rs. 1,42 lakhs only we cannot remove the whole of the two surcharges and the quasi-surcharge but what we can do is to reduce them all by one-third and this is what I in fact propose. The cost will be Rs. 1,36 lakhs leaving us with a purely nominal surplus of Rs. 6 lakhs.

CONCLUSION.

39. Clearly this Budget will completely satisfy very few people. It certainly does not satisfy me. There are many who will bitterly complain that it has not been possible to remove the whole of the emergency taxes on income, I myself am extremely disappointed that it has not been possible to take the first steps in the revision of our revenue tariff in a downward direction. Certainly that tariff is too high, certainly it is far too complicated and on both counts it is a restraint on trade and recovery. No doubt I shall be told that if only I had exercised a little more imagination, both of these desirable objects could have been achieved but do not let us forget that imaginative financiers usually end up in gaol. In any case we have before us the task of financing the inception of Provincial Autonomy. This cannot be performed by any effort of pure imagination, but if we continue in the path of prudence we shall, I believe, find that we can fulfil it triumphantly and, what is more, from time to time provide further alleviations to taxpayers.

P. J. GRIGG.

The 28th February 1935.

BUDGET

of the
Governor-General in Council,
As laid before the Indian Legislature,
1935.

FINANCE DEPARTMENT ;
New Delhi, the 28th February 1935. }

P. C. TALLENTS,
Secretary to the Govt. of India.

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I.—General Statement of the Revenue and Expenditure charged to

	For details, vide State- ment.	Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	₹7,16,41,385	47,78,00,000	51,17,60,000	51,84,00,000
Taxes on Income	„	17,12,85,181	17,25,00,000	17,25,00,000	18,40,00,000
Salt	„	8,85,64,579	8,78,00,000	8,55,00,000	8,73,00,000
Opium	„	1,58,96,779	95,07,000	71,46,000	61,16,000
Other Heads	„	1,80,44,729	1,81,81,000	1,90,16,000	1,91,05,000
TOTAL PRINCIPAL HEADS		76,54,32,653	76,50,88,000	79,58,62,000	79,49,21,000
Railways: Net Receipts (as per Rail- way Budget)	A	33,08,87,228	32,58,27,000	32,37,88,000	32,25,45,000
Irrigation: Net Receipts	„	6,799	8,000	15,000	14,000
Posts and Telegraphs: Net Receipts	„	32,44,499	69,78,000	97,69,000	70,52,000
Interest Receipts	„	1,62,82,626	1,86,25,000	2,11,85,000	82,56,000
Civil Administration	„	76,21,910	78,28,000	81,26,000	92,75,000
Currency and Mint	„	1,33,41,218	1,27,02,000	1,29,18,000	1,07,01,000
Civil Works	„	26,93,048	23,86,000	28,88,000	23,30,000
Miscellaneous	„	78,95,428	56,37,000	74,16,000	56,68,000
Defence Services	„	5,32,61,929	5,20,47,000	5,23,32,000	4,92,77,000
Provincial Contributions and miscel- laneous adjustments between Central and Provincial Governments . . . . .	„	...	..	...	...
Extraordinary Items	„	35,63,550	...	2,000	...
TOTAL REVENUE .		1,20,37,30,886	1,19,71,21,000	1,23,37,96,000	1,21,00,34,000
DEFICIT .		...	...	..	...
TOTAL .		1,20,37,30,886	1,19,71,21,000	1,23,37,96,000	1,21,00,34,000

Revenue of the Central Government, in India and in England.

	For details, <i>vide</i> State- ment.	Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenue	B	4,21,56,206	4,00,79,000	4,04,90,000	4,19,58,000
Forest and other Capital Outlay charged to Revenue	,,	88,887	1,48,000	1,14,000	49,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget)	,,	33,02,87,328	32,58,27,000	32,37,88,000	32,25,45,000
Irrigation	,,	4,05,423	5,95,000	5,93,000	5,57,000
Posts and Telegraphs	,,	89,11,568	88,32,000	87,45,000	86,46,000
Debt Services	,,	12,28,56,924	13,33,55,000	13,28,43,000	13,38,13,000
Civil Administration	,,	9,53,62,049	9,58,62,000	11,46,60,000	10,17,13,000
Currency and Mint	,,	59,30,917	66,39,000	74,04,000	32,58,000
Civil Works	,,	1,98,23,459	2,01,96,000	2,46,18,000	2,25,32,000
Miscellaneous	,,	4,21,26,524	4,31,74,000	4,36,99,000	4,45,76,000
Defence Services	,,	49,75,08,929	49,58,47,000	49,57,58,000	49,90,77,000
Miscellaneous adjustments between the Central and Provincial Govern- ments	,,	1,00,00,000	2,52,44,000	2,94,90,000	3,04,84,000
Extraordinary Items	,,	2,61,72,772	3,10,000	1,03,27,000	1,38,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,20,37,30,886	1,19,61,06,000	1,23,25,23,000	1,20,94,52,000
SURPLUS . . . . .		...	10,15,000	12,73,000	5,82,000
TOTAL		1,20,37,30,886	1,19,71,21,000	1,23,37,96,000	1,21,00,34,000

II.—General Statement of the Receipts and Disbursements of the

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1933-34	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
		Rs.	Rs.	Rs.	Rs.
Surplus			10,15,000	12,78,000	5,82,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)	C	...	...	..	..
Debt, Deposits and Advances—					
Permanent Debt (net incurred) . . . . .	"	...	...	3,77,71,000	...
Floating Debt (net incurred) . . . . .	"	...	...	...	...
Unfunded Debt (net incurred)	"	22,81,07,211	17,65,38,000	15,91,25,000	18,08,56,000
Deposits and Advances (net)	"	...	5,69,48,000	...	17,94,69,000
Railway Depreciation and Reserve Funds as per Railway Budget (net) . . . . .	"	...	..	1,49,24,000	1,88,50,000
TOTAL DEBT, DEPOSITS AND ADVANCES.		22,81,07,211	23,34,66,000	21,18,20,000	37,91,75,000
Remittances (net)	C	62,94,471	3,14,000	2,83,000	5,81,000
Balances of Provincial Governments (net)	"	25,23,349	...	...	...
TOTAL RECEIPTS		23,69,25,031	23,48,15,000	21,33,76,000	38,08,48,000
Opening Balance { India		14,58,99,614	18,43,92,614	11,88,97,891	13,05,48,891
{ England		13,19,33,230	7,10,26,230	20,87,50,507	14,17,95,507
TOTAL		51,47,57,875	44,02,38,844	54,10,24,398	65,26,92,398

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1933-34.				REVISED ESTIMATE,		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs . . .	47,16,41,885	...		47,16,41,885	51,17,00,000	.	1
II.—Taxes on Income .	17,12,84,780	402	—1	17,12,85,181	17,25,00,000	...	2
III.—Salt . . .	8,85,64,579	...	...	8,85,64,579	8,55,00,000	.	3
IV.—Opium . . .	1,58,96,779	...	...	1,58,96,779	71,46,000	...	4
V.—Land Revenue .	17,60,084	.	...	17,60,084	31,30,000	.	5
VI.—Excise . . .	40,31,862	...	...	40,31,862	39,73,000	...	6
VII.—Stamps . . .	31,42,174	..	..	31,42,174	42,47,000	...	7
VIII.—Forest . . .	15,24,806	.	...	15,24,806	11,97,000	...	8
IX.—Registration	1,00,982	...	...	1,00,982	1,08,000	...	9
X.—Payments from Indian States . . .	74,84,821	...	...	74,84,821	73,68,000	...	10
TOTAL .	76,54,32,252	402	—1	76,54,32,653	79,58,62,000	...	11
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	1,43,846	..	..	1,43,846	1,60,000	...	12
Deduct—Working Expenses	1,41,739	...	...	1,41,739	1,49,000	...	13
Net Receipts .	2,107	...	...	2,107	11,000	...	14
XIV.—Works for which no Capital Accounts are kept . . .	4,213	477	2	4,692	4,000	...	15
TOTAL .	6,320	477	2	6,799	15,000	...	16
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts . .	10,72,61,531	384	—1	10,72,61,864	11,05,35,000	...	17
Deduct—Working Expenses	10,31,67,503	2,50,947	—1,085	10,40,17,365	9,89,32,000	2,35,000	18
Net Receipts .	40,94,028	—8,50,613	1,084	32,44,499	1,06,03,000	—8,35,000	19
Debt Services—							
XVI.—Interest . . .	1,05,17,063	57,77,522	—11,979	1,62,82,626	41,00,000	1,71,15,000	20
Carried over .	78,00,49,683	49,27,768	—10,894	78,49,66,577	81,05,80,000	1,62,80,000	21

* Sterling converted into

Government, in India and in England.

1984-85.			Increase (+) Decrease (-) as compared with Budget, 1984-85.	BUDGET ESTIMATE, 1985-86.				Increase (+) Decrease (-) as compared with Revised, 1984-85.
Item No.	Exchange.	TOTAL.		India.	* England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	51,17,00,000	+3,41,00,000	51,84,00,000	..	...	51,84,00,000	+67,00,000
2	...	17,25,00,000	..	16,40,00,000	.	..	16,40,00,000	-85,00,000
3	...	8,65,00,000	-18,00,000	8,73,00,000	...	.	8,73,00,000	+18,00,000
4	..	71,46,000	-28,61,000	61,16,000	...	.	61,16,000	-10,30,000
5	..	21,30,000	+72,000	20,64,000	...	...	20,64,000	-66,000
6	...	39,73,000	-2,08,000	39,82,000	..	..	39,82,000	+9,000
7	...	42,47,000	+12,65,000	45,25,000	...	..	45,25,000	+2,78,000
8	...	11,97,000	-3,07,000	10,75,000	...	..	10,75,000	-1,22,000
9	...	1,08,000	...	99,000	...	...	99,000	-4,000
10	...	73,66,000	-7,000	73,60,000	...	...	73,60,000	-6,000
11	...	79,58,62,000	+3,07,74,000	79,49,21,000	...	..	79,49,21,000	-9,41,000
12	..	1,60,000	+8,000	1,54,000	...	...	1,54,000	-6,000
13	...	1,49,000	+7,000	1,44,000	.	...	1,44,000	+5,000
14	..	11,000	+15,000	10,000	...	...	10,000	-1,000
15	...	4,000	-3,000	4,000	..	...	4,000	...
16	.	15,000	+12,000	14,000	...	...	14,000	-1,000
17	...	11,05,35,000	+34,09,000	11,32,57,000	..	...	11,32,57,000	+27,22,000
18	-1,000	10,07,66,000	-6,18,000	10,54,00,000	8,05,000	...	10,62,05,000	-54,39,000
19	1,000	97,69,000	+27,91,000	78,57,000	-8,05,000	..	70,52,000	-27,17,000
20	-30,000	2,11,85,000	+25,60,000	37,12,000	45,44,000	..	82,56,000	-1,29,29,000
21	-29,000	82,68,31,000	+3,61,37,000	50,65,04,000	37,39,000	...	81,02,43,000	-1,65,88,000

Rupees at £1 = Rs. 13½.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1933-34				REVISED ESTIMATE		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	78,00,48,683	49,27,788	—10,894	78,49,66,577	81,05,80,000	1,62,80,000	
Civil Administration—							
XVII.—Administration of Justice	1,39,795	...	.	1,39,795	1,63,000	1,000	1
XVIII.—Jails and Convict Settlements	2,66,226	...	..	2,66,226	2,44,000	...	2
XIX.—Police	7,77,036	1,06,667	—369	8,83,334	5,41,000	1,07,000	3
XX.—Ports and Pilotage	15,48,901	26	.	15,48,927	21,68,000	...	4
XX(I).—Light Houses and Light Ships	9,59,893	..	...	9,59,893	9,47,000	...	5
XXI.—Education	2,11,940	546	.. 3	2,12,529	2,15,000	...	6
XXII.—Medical	1,79,447	22,326	—68	2,01,595	2,09,000	25,000	7
XXIII.—Public Health	1,91,894	126	.	1,94,020	2,17,000	...	8
XXIV.—Agriculture	8,84,427	...	..	8,84,427	8,97,000	...	9
XXV.—Industries	16,419	..	...	16,419	15,000	...	10
XXVI.—Miscellaneous Departments	16,81,063	53,621	—91	17,34,592	20,66,000	8,000	11
XXVI-A.—Indian Stores Department	2,79,214	...	...	2,79,214	3,04,000	...	12
TOTAL	74,39,223	1,83,213	—636	76,21,910	79,85,000	1,41,000	13
Currency and Mint—							
XXVII.—Currency	80,71,756	...	...	80,71,756	77,82,000	8,00,000	14
XXVIII.—Mint	82,69,460	...	..	82,69,460	43,37,000	...	15
TOTAL	1,63,41,216	...	...	1,63,41,216	1,21,19,000	8,00,000	16
Civil Works—							
XXX.—Civil Works	26,86,404	6,667	—23	26,93,048	28,66,000	22,000	17
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	10,92,404	1,91,332	—202	12,83,534	10,37,000	2,24,000	18
XXXIV.—Stationery and Printing	19,73,430	19,101	—15	19,92,516	23,10,000	18,000	19
XXXV.—Miscellaneous	41,15,803	5,04,776	—1,201	46,19,378	34,40,000	4,38,000	20
TOTAL	71,81,637	7,15,209	—1,418	78,95,428	67,37,000	6,60,000	21
Defence Receipts—							
XXXVI.—Defence Services—Effective	2,69,10,420	2,16,86,206	—66,770	4,85,29,856	2,58,58,000	2,16,41,000	22
XXXVII.—Defence Services—Non-effective	7,30,466	40,16,127	—3,520	47,82,073	6,08,000	42,70,000	23
XXXVIII.—Transfers from Defence Reserve Fund	...	..	...	..	...	...	24
TOTAL	2,76,80,886	2,57,01,333	—70,290	5,32,61,929	2,64,66,000	2,59,11,000	25
Provincial Contributions and Miscellaneous Adjustments between Central and Provincial Governments—							
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	...	...	...	...	...	...	26
Extraordinary Items—							
XL.—Extraordinary Receipts	3,00,153	32,69,063	—5,666	35,63,550	...	2,000	27
XL-A.—Transfers from Revenue Reserve Fund	...	...	...	...	...	...	28
TOTAL	3,00,153	32,69,063	—5,666	35,63,550	...	2,000	29
Railway Revenues as per Railway Budget	33,54,83,746	—47,01,505	4,987	33,08,87,228	32,81,97,000	—44,21,000	30
TOTAL REVENUE	1,17,97,12,948	3,01,01,767	—63,829	1,20,37,50,886	1,19,44,50,000	3,94,15,000	31

* Sterling converted into

Government, in India and in England—*contd.*

1934-35.			Increase (+) Decrease (-) as compared with Budget, 1934-35.	BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (-) as compared with Revised, 1934-35
Item No	Exchange.	TOTAL.		India.	* England.	Exchange.	TOTAL	
	Rs. —29,000	Rs. 82,68,31,000	Rs. +3,61,37,000	Rs. 80,65,04,000	Rs. 37,39,000	Rs. ..	Rs. 81,02,43,000	Rs. —1,65,88,000
1	...	1,64,000	+17,000	1,61,000	..	...	1,61,000	—3,000
2	...	2,44,000	—85,000	2,44,000	..	...	2,44,000	..
3	...	6,48,000	—10,000	5,57,000	1,07,000	..	6,64,000	+16,000
4	...	21,68,000	+2,42,000	21,78,000	..	..	21,78,000	+8,000
5	..	9,47,000	+14,000	9,60,000	..	...	9,60,000	+13,000
6	..	2,15,000	+15,000	2,13,000	..	...	2,13,000	—2,000
7	..	2,34,000	+34,000	2,09,000	25,000	...	2,34,000	..
8	..	2,17,000	+29,000	2,23,000	..	...	2,23,000	+6,000
9	..	8,97,000	+11,000	9,03,000	..	..	9,03,000	+6,000
10	...	15,000	..	15,000	..	..	15,000	..
11	...	20,74,000	—62,000	20,38,000	7,000	..	20,43,000	—31,000
12	..	3,08,000	+43,000	14,40,000	..	..	14,40,000	+11,37,000
13	..	81,26,000	+2,98,000	91,36,000	1,39,000	..	93,75,000	+11,49,000
14	—1,000	85,81,000	—1,98,000	73,90,000	56,000	..	74,46,000	—11,35,000
15	..	41,37,000	+4,14,000	32,55,000	..	..	32,55,000	—10,82,000
16	—1,000	1,29,18,000	+2,16,000	1,06,45,000	56,000	...	1,07,01,000	—22,17,000
17	..	28,88,000	+2,000	23,20,000	10,000	..	28,30,000	—58,000
18	..	13,11,000	+3,000	12,31,000	1,97,000	..	14,28,000	+1,17,000
19	..	22,28,000	+24,000	22,08,000	17,000	..	22,25,000	—3,000
20	—1,000	36,77,000	+17,52,000	18,10,000	4,00,000	..	20,10,000	—18,67,000
21	—1,000	74,16,000	+17,79,000	50,49,000	6,14,000	..	56,63,000	—17,53,000
22	—38,000	4,74,61,000	—2,39,000	2,35,56,000	2,11,58,000	..	4,47,09,000	—27,52,000
23	—7,000	48,71,000	+5,24,000	6,30,000	39,38,000	..	45,68,000	—3,03,000
24	..	..	..	...	..	..	...	..
25	—45,000	5,28,82,000	+2,85,000	4,41,86,000	2,50,91,000	..	4,92,77,000	—30,55,000
26	...	...	...	...	..	..	..	..
27	...	2,000	+2,000	...	...	..	..	—2,000
28	..	..	..	..	..	..	..	..
29	...	2,000	+2,000	...	..	..	..	—2,000
30	7,000	32,37,58,000	—20,44,000	32,67,32,000	—41,37,000	..	32,25,45,000	—12,88,000
31	—39,000	1,23,37,96,000	+3,66,75,000	1,18,45,72,000	2,54,62,000	..	1,21,00,34,000	—2,37,62,000

Rupees at 21 = Rs. 13½

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1933-34.				REVISED	
	India.	* England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenue—						
1.—Customs	97,13,902	1,43,954	—176	98,56,680	1,07,51,000	1
2.—Taxes on Income	81,06,306	1,41,346	—80	82,48,573	84,40,000	2
3.—Salt	1,13,59,008	88,839	—74	1,14,73,373	1,15,06,000	3
4.—Opium	70,41,559	40,070	—40	70,61,769	35,66,000	4
5.—Land Revenue	5,66,297	800	—3	5,67,094	5,64,000	5
6.—Excise	15,11,523	12,582	—19	15,24,086	15,58,000	6
7.—Stamps	13,82,168	40,949	—88	14,23,079	17,64,000	7
8.—Forest	18,68,768	97,070	—115	19,60,733	17,78,000	8
9.—Registration	21,030	...	...	21,030	17,000	9
TOTAL	4,15,95,141	5,61,610	—545	4,21,56,206	3,99,69,000	10
Forest and other Capital Outlay charged to Revenue—						
3A.—Capital outlay on Salt Works	20,441	11,092	—38	31,495	1,00,000	11
8A.—Forest Capital outlay	55,509	1,587	—4	57,392	12,000	12
TOTAL	76,250	12,679	—42	88,867	1,12,000	13
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	2,57,436	..	..	2,57,436	2,55,000	14
15.—Other Revenue Expenditure	1,23,302	2,133	—2	1,25,433	3,09,000	15
TOTAL	3,80,738	2,133	—2	3,82,919	5,64,000	16
Irrigation, etc., Capital outlay charged to Revenue—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues	22,504	..	..	22,504	21,000	17
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt						
Indian Posts and Telegraphs Department	84,38,093	..	...	84,38,093	88,68,000	18
Posts and Telegraphs Capital Outlay charged to Revenue—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department	4,73,475	..	..	4,73,475	3,57,000	19
Debt Services—						
19.—Interest on Ordinary Debt	20,50,00,181	18,68,29,424	—1,67,727	40,16,71,878	20,15,60,000	20
Debt—Amount chargeable to—						
Railways	19,77,72,733	11,53,12,366	—1,40,985	31,29,44,634	19,34,13,000	21
Irrigation	2,57,436	..	..	2,57,436	2,65,000	22
Posts and Telegraphs	85,64,913	..	..	85,64,913	85,35,000	23
Provincial Loans Fund	8,07,64,955	...	...	8,07,64,955	7,97,00,000	24
Other heads	26,18,541	..	..	26,18,541	8,00,000	25
Remainder chargeable to Ordinary Debt	—8,49,67,702	8,15,16,558	—16,763	—34,67,906	—8,11,33,000	26
20.—Interest on other Obligations	3,57,47,117	5,79,682	—1,969	8,68,24,800	10,56,58,000	27
21.—Reduction or Avoidance of Debt	3,00,00,000	..	..	3,00,00,000	3,00,00,000	28
TOTAL	4,07,79,415	8,20,96,240	—18,731	12,28,56,924	5,45,30,000	29
Carried over	9,17,65,666	8,26,72,663	—19,320	17,44,19,008	10,39,41,000	30

* Sterling converted into

of the Central Government, in India and in England.

ESTIMATE, 1934-35.				Increase (+) Decrease (-) as compared with Budget, 1934-35	BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (-) as compared with Revised, 1934-35.
Item No.	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,60,000	—1,000	1,09,10,000	+8,52,000	1,13,34,000	1,60,000		1,14,94,000	+5,84,000
2	1,05,000		55,45,000	+42,000	90,21,000	1,35,000		91,57,000	+6,12,000
3	69,000	..	1,15,75,000	+67,000	1,17,54,000	34,000	..	1,17,89,000	+2,13,000
4	38,000	..	38,04,000	—6,24,000	35,33,000	43,000	..	35,81,000	—28,000
5	2,000	..	5,88,000	—1,000	6,08,000	1,000	..	6,04,000	+18,000
6	7,000	..	15,65,000	+22,000	16,21,000	17,000	..	16,38,000	+73,000
7	43,000	..	18,13,000	+3,67,000	19,10,000	30,000	..	19,40,000	+1,28,000
8	28,000	..	18,78,000	—3,14,000	18,44,000	98,000	..	17,38,000	—1,38,000
9	...	...	17,000	..	18,000	...	..	18,000	+1,000
10	5,52,000	—1,000	4,04,90,000	+4,11,000	4,14,37,000	5,21,000		4,19,58,000	+14,68,000
11	..	..	1,00,000	—19,000	83,000			33,000	—67,000
12	2,000	..	14,000	—13,000	13,000	3,000	..	16,000	+2,000
13	2,000	..	1,14,000	—32,000	48,000	3,000	..	48,000	—65,000
14	..	..	2,55,000	+5,000	2,60,000	..	..	2,60,000	+5,000
15	7,000	..	3,16,000	—8,000	2,71,000	7,000	..	2,78,000	—38,000
16	7,000	..	5,71,000	—3,000	5,31,000	7,000	..	5,38,000	—33,000
17	...	..	21,000		19,000	..	..	19,000	—2,000
18	...	..	88,88,000	—37,000	83,53,000	...	..	83,53,000	—35,000
19	...	..	3,57,000	—50,000	2,93,000	..	..	2,93,000	—64,000
20	19,07,03,000	—3,31,000	39,19,52,000	—57,85,000	19,53,83,000	18,85,62,000	..	38,39,45,000	—80,07,000
21	11,28,90,000	—1,96,000	30,61,07,000	+20,10,000	19,28,85,000	11,17,59,000	..	30,46,44,000	+14,68,000
22	...	..	2,55,000	—5,000	2,60,000	..	..	2,60,000	—5,000
23	...	..	85,35,000	+59,000	85,00,000	...	..	85,00,000	+35,000
24	...	..	7,97,00,000	+3,01,000	8,26,00,000	...	..	8,26,00,000	—28,00,000
25	...	..	8,00,000	+84,000	7,85,000	...	..	7,85,000	+12,000
26	7,78,13,000	—1,35,000	—34,45,000	—33,47,000	—8,95,50,000	7,68,03,000	..	—1,27,47,000	—88,02,000
27	6,34,000	—1,000	10,62,88,000	+28,35,000	11,80,10,000	6,50,000	..	11,66,60,000	+1,08,72,000
28	...	..	8,00,00,000		3,00,00,000	...	..	8,00,00,000	...
29	7,84,48,000	—1,36,000	18,28,43,000	—5,12,000	5,64,60,000	7,74,50,000	..	14,39,18,000	+10,70,000
30	7,69,80,000	—1,37,000	18,27,84,000	—2,28,000	10,71,39,000	7,79,84,000	..	18,51,23,000	+23,39,000

Rupees at £1 = Rs. 13½.

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1933-34				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	9,17,65,666	8,26,72,662	—19,320	17,44,19,008	10,39,41,000	
Civil Administration—						
22.—General Administration	1,07,09,072	46,80,934	—4,528	1,53,65,478	1,10,57,000	1
23.—Audit	95,40,569	4,65,053	—314	97,95,307	98,56,000	2
24.—Administration of Justice	7,33,367	84,692	—112	8,17,947	7,09,000	3
25.—Jails and Convict Settlements	25,87,500	47,076	—63	26,34,538	22,80,000	4
26.—Police	58,52,546	50,670	—63	59,03,216	51,30,000	5
27.—Ports and Pilotage	19,0,645	3,64,880	—306	22,55,219	19,65,000	6
27 (1).—Light Houses and Light Ships	9,40,367	2,663	—3	9,43,027	9,81,000	7
28.—Ecclesiastical	20,86,635	8,46,235	—924	29,31,926	21,04,000	8
29.—Political	1,35,72,884	9,72,207	—1,174	1,35,44,017	1,52,39,000	9
29-A.—Frontier Watch and Ward	2,14,97,081	1,25,461	—104	2,14,22,448	2,08,99,000	10
30.—Scientific Departments	60,25,703	6,04,189	—708	66,29,154	66,1,000	11
31.—Education	29,57,108	41,201	—25	29,98,264	29,16,000	12
32.—Medical	22,01,743	1,31,108	—156	23,32,895	22,56,000	13
33.—Public Health	19,88,765	1,65,969	—32	12,47,702	14,34,000	14
34.—Agriculture	27,54,327	86,958	—82	28,39,103	67,86,000	15
35.—Industries	1,81,369	11,975	—4	1,93,340	3,62,000	16
36.—Aviation	12,19,413	1,06,707	—294	13,25,835	1,06,44,000	17
37.—Miscellaneous Departments	18,63,113	1,55,566	—175	17,18,504	38,70,000	18
37-A.—Indian Stores Department	8,21,624	82,236	—63	9,03,797	7,25,000	19
TOTAL	8,66,52,430	88,18,769	—9,150	9,55,62,049	10,55,54,000	20
Currency and Mint—						
38.—Currency	44,60,563	18,465	—28	44,77,030	52,87,000	21
39.—Mint	13,86,393	67,579	—85	14,53,837	20,18,000	22
TOTAL	58,46,956	84,074	—113	59,30,917	73,05,000	23
Civil Works—						
41.—Civil Works	1,96,73,098	1,50,541	—180	1,98,23,459	2,45,14,000	24
Miscellaneous—						
43.—Famine—						
A.—Famine Relief	29,29,471	98,467	—118	30,27,820	29,76,000	25
44.—Territorial and Political Pensions	85,85,183	2,10,69,165	—24,448	2,94,29,900	1,00,79,000	26
45.—Superannuation Allowances and Pensions	31,58,260	2,29,266	—522	34,56,994	3,36,000	27
46.—Stationery and Printing	42,00,818	21,64,142	—1,732	63,64,228	92,25,000	28
47.—Miscellaneous	1,87,03,732	2,33,31,030	—26,820	4,28,07,942	2,00,16,000	29
TOTAL	1,87,03,732	2,33,31,030	—26,820	4,28,07,942	2,00,16,000	30
Miscellaneous capital outlay charged to Revenue—						
45-A.—Commutation of pensions financed from Ordinary Revenue	—1,81,418	..	...	—1,81,418	3,25,000	31
Defence Services—						
48.—Defence Services—Effective	14,50,05,086	5,90,85,175	—40,131	40,40,50,130	34,43,20,000	32
49.—Defence Services—Non-effective	3,68,00,535	4,99,30,889	—43,746	8,64,87,978	3,67,45,000	33
50.—Transfers to Defence Reserve Fund	69,70,821	..	..	69,70,821	34,96,000	34
TOTAL	18,86,76,443	10,90,16,064	—83,877	49,75,08,929	39,45,68,000	35
Contributions and Miscellaneous Adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous Adjustments between the Central and Provincial Governments	1,00,00,000	..	..	1,00,00,000	2,94,90,000	36
Extraordinary Items—						
52.—Extraordinary Payments	2,78,16,826	3,56,248	—302	2,81,72,772	1,02,09,000	37
52-I.—Transfers to Revenue Reserve Fund . . . . .	..	..	..	..	..	38
TOTAL	2,78,16,826	3,56,248	—302	2,81,72,772	1,02,09,000	39
Railway Expenditure as per Railway Budget	10,15,47,774	12,89,97,876	—1,58,422	38,08,87,228	19,83,01,000	40
TOTAL EXPENDITURE CHARGED TO REVENUE	35,08,01,806	35,37,27,264	—2,98,184	1,20,37,30,886	38,44,49,000	41

* Sterling converted into

of the Central Government, in India and in England—*contd.*

Item No.	ESTIMATE, 1934-35.			Increase (+) Decrease (-) as compared with Budget, 1934-35.	BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (-) as compared with Revised, 1934-35.
	England	Exchange.	TOTAL		India.	England.	Exchange	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
	7,89,60,000	-1,37,000	18,27,84,000	-2,23,000	10,71,59,000	7,79,84,000		18,51,23,000	+23,39,000
1	50,36,000	-8,000	1,60,34,000	+1,68,000	1,15,14,000	51,73,000	..	1,68,87,000	+6,03,000
2	2,85,000	-1,000	1,01,40,000	-97,000	1,05,01,000	2,92,000	..	1,07,93,000	+6,53,000
3	37,000		7,46,000	-59,000	7,51,000	49,000	..	8,00,000	+54,000
4	38,000		28,27,000	-30,000	28,04,000	45,000	..	28,49,000	+22,000
5	1,19,000		52,49,000	-41,000	51,98,000	1,14,000	..	53,12,000	+63,000
6	3,37,000	-1,000	22,91,000	-34,000	20,42,000	3,34,000	..	23,76,000	+85,000
7	16,000		9,47,000	+14,000	9,52,000	8,000	..	9,60,000	+13,000
8	7,90,000	-1,000	28,98,000	-41,000	22,30,000	8,25,000	..	30,55,000	+1,62,000
9	10,58,000	-2,000	1,62,95,000	+28,94,000	1,30,64,000	9,92,000	..	1,40,76,000	-22,18,000
10	1,13,000		2,10,12,000	+3,12,000	2,04,67,000	1,04,000	..	2,05,61,000	-4,51,000
11	5,77,000	-1,000	71,88,000	+1,05,000	67,20,000	6,67,000	..	73,87,000	+1,99,000
12	41,000	..	29,57,000	-28,000	29,98,000	52,000	..	30,50,000	+93,000
13	1,29,000		28,55,000	-19,000	22,91,000	1,31,000	..	24,22,000	-77,000
14	1,48,000	-1,000	15,81,000	-26,000	14,42,000	1,58,000	..	15,98,000	+17,000
15	90,000		68,76,000	+42,65,000	35,66,000	87,000	..	36,53,000	-32,23,000
16	21,000		8,33,000	+1,80,000	7,77,000	20,000	..	7,97,000	+4,14,000
17	46,000		1,06,93,000	+92,68,000	13,15,000	1,04,000	..	16,19,000	-90,74,000
18	1,38,000		38,08,000	+18,95,000	18,74,000	1,49,000	..	20,23,000	-17,85,000
19	80,000		8,05,000	+50,000	21,07,000	88,000	..	21,95,000	+18,90,000
20	90,92,000	-16,000	11,46,80,000	+1,87,98,000	9,38,23,000	93,90,000	..	10,17,13,000	-1,39,47,000
21	13,000	..	53,00,000	+1,54,000	15,36,000	25,000	..	15,61,000	-37,98,000
22	85,000	..	21,04,000	+6,11,000	16,08,000	87,000	..	16,95,000	-4,09,000
23	98,000		74,04,000	+7,65,000	81,44,000	1,12,000	..	32,58,000	-41,48,000
24	1,04,000		2,46,18,000	+44,22,000	2,94,11,000	1,21,000	..	2,25,32,000	-20,66,000
25		..					..
26	1,07,000	..	30,88,000	+38,000	39,16,000	1,14,000	..	30,30,000	-53,000
27	4,09,72,000	-36,000	3,10,15,000	+2,39,000	1,13,38,000	2,06,18,000	..	3,19,52,000	+9,37,000
28	3,20,000	-1,000	33,55,000	-2,45,000	32,49,000	2,98,000	..	35,47,000	+1,93,000
29	19,99,000	-3,000	59,21,000	+1,000	36,58,000	20,99,000	..	59,57,000	+36,000
30	2,33,98,000	-40,000	4,33,74,000	+30,000	2,13,56,000	4,31,30,000	..	4,44,86,000	+11,14,000
31			3,25,000	+4,95,000	90,000			90,000	-2,35,000
32	6,13,12,000	-1,06,000	40,55,32,000	-90,20,000	35,75,92,000	6,21,59,000	..	41,77,51,000	+1,32,19,000
33	5,00,70,000	-87,000	8,67,28,000	+4,58,000	3,66,27,000	5,03,61,000	..	5,68,85,000	+2,80,000
34			34,98,000	+84,73,000	-56,63,000			-56,62,000	-91,60,000
35	11,13,83,000	-1,93,000	49,57,58,000	-89,000	48,65,57,000	11,25,20,000	..	49,90,77,000	+33,19,000
36	..	..	2,94,90,000	+42,46,000	3,04,94,000	..	..	3,04,94,000	+10,04,000
37	1,18,000	..	1,08,27,000	+1,00,17,000	38,000	1,08,000	..	1,36,000	-1,01,91,000
38							..		
39	1,18,000	..	1,08,27,000	+1,00,17,000	28,000	1,08,000	..	1,36,000	-1,01,91,000
40	12,57,01,000	-3,19,000	32,37,88,000	-20,44,000	19,81,15,000	12,44,30,000	..	32,35,45,000	-12,38,000
41	34,85,79,000	-6,05,000	1,23,25,28,000	+3,64,17,000	83,16,57,000	34,77,95,000	..	1,20,94,52,000	-2,30,71,000

Rupees at 21 = Rs. 13½.

C.—Statement of Receipts and Disbursements of the

RECEIPTS.	ACCOUNTS, 1933-34.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,17,37,12,948	3,01,01,767	1,20,38,14,715
Exchange	— 83,829	..	-- 83,829
TOTAL	1,17,36,29,119	3,01,01,767	1,20,37,30,886
Railway Capital not charged to Revenue—			
As per Railway Budget . . . . .	..	.	.
Public Debt Incurred—			
Permanent Debt—			
<i>Sterling Debt—</i>			
6 per cent. Bonds . . . . .	...	1,72,388	
5½ per cent. Stock . . . . .	...	13,96,149	
5 per cent. Stock . . . . .	...	5,26,444	
4½ per cent. Stock . . . . .	...	22,49,304	
4 per cent. Stock 1948-53 . . . . .	...	15,60,92,699	
3½ per cent. Stock 1954-59 . . . . .	...	9,82,88,678	
<i>Rupee Debt—</i>			
New Rupee Loan . . . . .	...	...
3½ per cent. Loan 1947-50	30,81,74,500	...	
3 per cent. Bonds 1941	2,74,800	...	
Other 3½ per cent. Loans . . . . .	...	...
TOTAL	30,84,49,300	25,87,25,612	56,71,74,912
Floating Debt—			
Treasury Bills—			
Issued to Public	1,12,13,00,000	...	
Issued to Paper Currency Reserve	1,63,96,92,000	...	
Temporary Loans	70,50,00,000	...	
TOTAL	3,46,59,90,000	...	3,46,59,90,000
Unfunded Debt—			
Deposits of Service Funds	8,52,773	17,74,094	
Post Office Cash Certificates	13,31,43,211	...	
Savings Bank Deposits	50,53,07,390	...	
TOTAL	63,93,03,374	17,74,094	64,10,77,468
Carried over	5,58,73,71,793	29,06,01,473	

*Sterling converted into

Central Government, in India and in England.

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,19,44,50,000 — 69,000	3,94,15,000 ...	1,23,38,65,000 — 69,000	1,18,45,72,000 .	2,54,62,000 ..	1,21,00,34,000 ...
1,19,43,81,000	3,94,15,000	1,23,37,96,000	1,18,45,72,000	2,54,62,000	1,21,00,34,000
...
...
...	14,85,000	...	...	15,79,000	...
...	5,57,000	...	...	5,89,000	...
...	23,71,000	...	...	25,00,000	...
...	1,91,000	...	..	2,00,000	...
...	3,11,11,000	...	..	1,33,000	...
...	...	...	25,00,00,000	...	...
25,12,82,000	...	...	..	...	...
10,67,82,000	..	...	..	...	...
28,000	...	...	12,000	...	...
35,80,20,000	3,57,15,000	39,37,35,000	25,00,12,000	50,04,000	25,50,16,000
...
92,56,00,000	..	}	2,00,00,00,000	..	...
1,21,88,60,000	...		30,00,00,000	...	...
70,00,00,000	...		...	..	...
2,84,44,60,000	..	2,84,44,60,000	2,30,00,00,000	..	2,30,00,00,000
...
8,45,000	18,90,000	...	8,21,000	19,58,000	...
10,46,00,000	...	...	12,25,00,000	..	...
50,18,08,000	...	...	51,98,91,000	..	...
60,67,53,000	18,90,000	60,86,43,000	54,32,12,000	19,58,000	64,51,70,000
5,00,86,14,000	7,70,20,000	...	4,37,77,96,000	3,24,24,000	...

C.—Statement of Receipts and Disbursements of the

RECEIPTS— <i>contd.</i>	ACCOUNTS, 1933-34.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	5,58,73,71,793	29,06,01,473	
Deposits and Advances—			
Provincial Loans Fund	15,17,73,400	...	
Posts and Telegraphs Depreciation Fund	44,19,170	.	
Deposits of Local Funds—			
District Funds	15,81,89,629	...	
Other Funds	9,87,78,274	...	
Sinking Funds for Central Loans	1,96,01,413	..	
Other Appropriations for Reduction or Avoidance of Debt	1,22,29,000	..	
Sinking Fund Investment Account	2,83,05,842	..	
Sinking funds for Loans granted to Local Bodies	2,50,242		
Gold Standard Reserve		1,30,62,83,294	
Paper Currency Reserve		8,25,24,916	
Silver Redemption Reserve	...	...
Deposits of Branch Line Companies	2,033	..	
Road Development Fund	1,08,51,533	..	
Post Office Cash Certificate Bonus Fund	67,04,185	..	
Fund for reconstruction of Earthquake damage	2,71,66,180	...	
Transfer of Agricultural Research Institute from Pusa	..	..
Civil Aviation	...	...
Economic development and improvement of rural areas	...	..
Broadcasting	...	..
Development in Tribal areas on N.-W. F.	...	...
Departmental and Judicial Deposits	85,51,77,727	...	
Advances	26,28,47,663	3,51,738	
Discount Sinking Fund	76,56,000	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of Paper Currency Reserve	...	..
Purchases and Sales of Silver	...	..
Suspense	1,37,61,579	74,19,709	
Exchange on Remittance Account	...	...
Miscellaneous	1,57,61,117	1,95,33,236	
Defence Reserve Fund	69,70,821	...	
TOTAL	1,68,07,45,863	1,41,61,12,893	3,09,68,58,756
Railway Depreciation and Reserve Funds as per Railway Budget	13,56,47,945	...	13,56,47,945
Carried over	7,40,37,65,601	1,70,67,14,366	

* Sterling converted into

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,00,86,14,000	7,70,20,000		4,37,77,96,000	3,24,24,000	
13,59,00,000	...		20,65,00,000	...	
9,70,000	...		28,73,000	...	
15,93,26,000	...		16,01,69,000	...	
9,81,90,000	...		9,80,89,000	...	
1,71,84,000	...		1,36,81,000	..	
1,63,29,000	...		1,63,29,000	...	
7,32,85,000	...		74,000	...	
...	
...	1,00,88,00,000		...	53,38,54,000	
...	59,86,67,000		...	18,11,92,000	
...	...		...	10,39,60,000	
4,85,000	...		75,000	...	
1,63,00,000	..		1,31,00,000	...	
74,00,000	...		...	...
...	
36,00,000	...		..	..
92,57,000	..		...	...
1,00,00,000	...		...	...
20,00,000	..		..	...
25,00,000	...		..	...
98,43,31,000	...		93,95,02,000	...	
36,42,64,000	58,000		37,99,59,000	56,000	
89,37,000	...		66,04,000	...	
42,32,000	...		80,17,000	...	
...	..		2,42,50,000	...	
3,86,65,000	2,12,000		11,50,99,000	8,42,08,000	
4,12,000	...		...	...
4,000	1,76,06,000		9,29,76,000	1,63,71,000	
34,98,000	...		...	..
1,95,77,69,000	1,62,53,43,000	3,58,31,12,000	2,07,72,97,000	91,91,41,000	2,99,64,38,000
13,73,00,000	...	13,73,00,000	13,28,00,000	...	13,28,00,000
7,09,86,83,000	1,70,23,63,000		6,58,78,93,000	95,15,65,000	

Rupees at £1=Rs. 18½.

C.—Statement of Receipts and Disbursements of the

RECEIPTS— <i>concl'd.</i>	ACCOUNTS, 1933-34.		
	India	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	7,40,37,65,601	1,70,67,14,366	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	1,32,09,828	...	
Other Loans and Advances	1,72,86,243		
TOTAL	3,04,96,071	..	3,04,96,071
Remittances—			
I.—Remittances within India—			
Inland Money Orders	77,86,98,033	...	
Other Local Remittances	11,29,775	...	
Other Departmental Accounts	1,49,185	...	
Net Receipts by Civil Treasuries from—			
Railways	12,93,88,719	...	
Posts and Telegraphs	11,50,05,049	...	
Net Receipts from Civil Treasuries by—			
Defence Services	31,45,00,129	...	
II.—Remittances between England and India—			
Remittance Account—			
Iraq drawings . . . . .	...	78,14,000	
Sale of Silver . . . . .	...	5,21,40,717	
Other transactions	1,71,89,170	2,24,49,166	
Sterling purchased in India . . . . .	...	60,21,06,643	
Sterling obtained in London . . . . .	...	8,04,167	
Transfers through the Gold Standard Reserve	15,50,13,333	...	
Transfers through the Paper Currency Reserve.	8,25,24,916	..	
TOTAL	1,59,35,93,309	68,53,14,693	2,27,89,08,002
Balances of Provincial Governments	3,43,72,715	...	3,43,72,715
TOTAL RECEIPTS	9,06,22,27,696	2,39,20,29,059 (a)	
Opening Balance	14,58,99,614	13,19,33,230	
GRAND TOTAL	9,20,81,27,310	2,52,39,62,289	

* Sterling converted into Rupees at £1 = Rs. 13½.

(a) Of this amount, £897 represents funds of the Gold Standard Reserve.

(b) Of this amount, £568 represents funds of the Gold Standard Reserve.

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,09,86,83,000	1,70,23,63,000		6,58,78,93,000	95,15,65,000	
1,73,40,000	...		77,04,000	...	
1,73,40,000	...	1,73,40,000	77,04,000	...	77,04,000
80,85,00,000	...		82,60,00,000	...	
20,54,000	...		21,73,000	...	
2,97,00,000	...		2,97,44,000	...	
14,14,63,000	...		11,18,00,000	...	
4,84,04,000	...		3,16,08,000	...	
31,60,09,000	...		32,69,27,000	...	
...	86,00,000		...	80,00,000	
...	3,86,67,000		...	4,00,00,000	
1,38,07,000	1,51,14,000		1,39,83,000	1,33,28,000	
...	52,00,00,000		...	34,69,20,000	
...	4,52,000		...	...
17,86,67,000	...		...	...
1,52,36,04,000	58,28,33,000	2,11,64,37,000	1,34,22,40,000	40,82,46,000	1,75,04,86,000
2,90,54,000	...	2,90,54,000	2,70,73,000	...	2,70,73,000
8,67,86,81,000	2,28,51,96,000		7,96,49,10,000	1,35,98,11,000	
11,88,97,891	(b) 20,87,50,507		13,05,48,891	(b) 14,17,95,507	
8,79,75,78,891	2,49,39,46,507		8,09,54,58,891	1,50,16,06,507	

C.—Statement of Receipts and Disbursements of the

DISBURSEMENTS.	ACCOUNTS, 1933-34.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	85,08,01,806	35,37,27,264	1,20,40,29,070
Exchange	—2,98,184	...	—2,98,184
TOTAL	85,00,03,622	35,37,27,264	1,20,37,30,886
Irrigation, Posts and Tele- graphs and other Capital Out- lay not charged to Revenue—			
SECURITY PRINTING PRESS	—9,01,165	..	—9,01,165
POSTS AND TELEGRAPHS	5,36,644	1,648	5,38,292
VIZAGAPATAM POST	49,72,661	1,28,844	51,01,505
LIGHT-HOUSES AND LIGHT-SHIPS	—1,603	1,603	...
CURRENCY	—4,14,277	...	—4,14,277
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	9,09,579	..	9,09,579
CIVIL WORKS	1,77,312	...	1,77,312
PAYMENT OF COMMUTED VALUE OF PENSIONS	82,99,286	...	82,99,286
OUTLAY ON ORISSA AND SIND . . . . .	..	...	...
PAYMENTS TO RETRENCHED PERSONNEL	2,94,343	...	2,94,343
TOTAL	1,38,72,780	1,32,095	1,40,04,875
RAILWAY CAPITAL NOT CHARGED TO REVENUE—			
As per Railway Budget	—3,07,63,294	1,26,14,406	—1,81,48,888
Public Debt Discharged—			
Permanent Debt—			
<i>Sterling Debt—</i>			
6 p. c. Bonds, 1935-37 . . . . .	...	...	6,000
Do. 1932-33 . . . . .	...	13,27,93,333	3,49,02,667
Do. 1933-34 . . . . .	...	34,699	...
Do. 1933-35 . . . . .	...	...	...
5½ p. c. Stock . . . . .	...	...	...
East Indian Railway Debenture Stock . . . . .	...	2,28,06,809	26,66,667
State Railway Annuities . . . . .	...	...	...
Do. do. Sinking Funds . . . . .	...	...	...
<i>Rupes Debt—</i>			
6½ p. c. Treasury Bonds, 1935	84,45,800	...	...
6 p. c. Bonds, 1933-36	8,72,56,800	...	...
Other 6 p. c. Bonds	9,38,500	...	...
5½ p. c. War Bonds	98,975	...	...
5 p. c. Loan, 1929-47	3,97,11,775	...	...
5 p. c. Bonds, 1935	1,39,75,200	...	...
5 p. c. Bonds, 1933	4,20,77,000	...	...
4½ p. c. Bonds, 1934	12,97,54,800	...	...
4½ p. c. Holkar State Railway Loan	20,00,000	...	...
4 p. c. Loan, 1934-37 . . . . .	...	...	...
4 p. c. Conversion Loan, 1916-17	9,84,48,200	...	...
4 p. c. Terminable Loan	5,200	...	...
Other Loans	3,32,555	...	...
TOTAL	42,30,44,605	19,32,10,175	61,62,54,980
Carried over	1,25,61,57,913	55,96,83,940	

* Sterling converted into

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
88,42,49,000	34,88,79,000	1,23,31,28,000	86,16,57,000	34,77,95,000	1,20,94,52,000
—6,05,000	..	—6,05,000	...	..	...
88,36,44,000	34,88,79,000	1,23,25,23,000	86,16,57,000	34,77,95,000	1,20,94,52,000
—1,15,000	...	—1,15,000	—1,04,000	...	—1,04,000
34,46,000	4,000	34,50,000	55,07,000	...	55,07,000
13,95,000	1,05,000	15,00,000	12,00,000	50,000	12,50,000
—8,000	3,000	...	—6,000	6,000	...
—49,000	...	—49,000	4,99,14,000	...	4,99,14,000
75,42,000	18,000	75,60,000	52,45,000	...	52,45,000
...
54,18,000	...	54,18,000	43,93,000	...	43,93,000
...	...	...	20,00,000	...	20,00,000
—1,11,000	...	—1,11,000	—4,00,000	..	—4,00,000
1,75,28,000	1,80,000	1,76,53,000	6,77,49,000	56,000	6,78,05,000
—7,000	1,90,00,000	1,89,93,000	3,50,00,000	2,00,00,000	5,50,00,000
...	13,000	...	...	15,93,66,000	...
..	73,000	...	...	...	...
..	3,000	...	...	...	...
...	56,000	...	...	...	...
...	...	...	...	4,66,67,000	...
..	2,36,02,000	...	...	2,44,24,000	...
..	26,67,000	...	...	26,67,000	...
16,50,000	...	...	16,00,20,000	...	...
8,80,000	...	...	4,50,000	...	...
82,000	...	...	3,70,000	...	...
8,00,000	...	...	77,000	...	...
...	...	...	6,00,000	...	...
6,00,000	...	...	11,36,40,000	...	...
12,93,73,000	...	...	1,50,000	...	...
10,00,000	...	...	4,00,000	...	...
19,47,79,000	...	...	...	...	...
3,50,000	...	...	3,50,000	...	...
2,000	...	...	50,000	...	...
34,000	...	...	2,000	...	...
32,95,50,000	2,64,14,000	35,59,64,000	27,61,23,000	23,81,24,000	50,92,47,000
1,23,07,10,000	39,44,23,000	...	1,24,05,29,000	60,09,75,000	...

Rupees at £ 1=Rs. 13½.

C.—Statement of Receipts and Disbursements of the

DISBURSEMENTS—contd.	ACCOUNTS, 1933-34.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	1,25,61,57,913	55,96,83,940	—
Floating Debt—			
Treasury Bills—			
Issued to Public	1,04,91,25,000	...	
Issued to Paper Currency Reserve	1,78,52,15,000	...	
Temporary Loans	70,50,00,000	..	
TOTAL	3,48,93,40,000		3,48,93,40,000
Unfunded Debt—			
Special Loans	89,791	...	
Treasury Notes	12,20,975	2,21,587	
Deposits of Service Funds	5,24,70,485	...	
Post Office Cash Certificates	35,89,67,419	...	
Savings Bank Deposits	41,27,48,670	2,21,587	41,29,70,257
TOTAL			
Deposits and Advances—			
Provincial Loans Fund	15,20,85,783	...	
Posts and Telegraphs Depreciation Fund	10,59,978	...	
Deposits of Local Funds—			
District Funds	15,45,28,319	..	
Other Funds	9,90,51,468	..	
Sinking Funds for Central Loans	2,56,46,758	..	
Other Appropriations for Reduction or Avoidance of Debt	1,96,625	...	
Sinking Fund Investment Account	1,41,66,774	...	
Sinking Funds for loans granted to Local Bodies	...	...
Gold Standard Reserve	...	1,30,62,87,679	
Paper Currency Reserve	...	8,25,24,916	
Silver Redemption Reserve	...	..
Deposits of Branch Line Companies	1,55,565	..	
Road Development Fund	1,03,19,171	...	
Post Office Cash Certificate Bonus Fund	..	..
Fund for reconstruction of Earthquake damage	7,93,108	..	
Transfer of Agricultural Research Institute from Pusa	...	...
Civil Aviation	...	..
Economic development and improvement of rural areas	..	..
Broadcasting	...	...
Development in Tribal areas on N. W. F.	...	..
Departmental and Judicial Deposits	85,20,09,767	...	
Advances	26,27,57,886	3,55,517	
Discount Sinking Fund	1,89,04,290	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of Paper Currency Reserve	9,17,77,808	...	
Purchases and Sales of Silver	...	...
Suspense	1,16,13,639	6,44,82,015	
Exchange on Remittance Account	..	...
Miscellaneous	12,911	1,90,62,300	
Defence Reserve Fund	...	..
TOTAL	1,69,50,24,850	1,47,26,62,427	3,16,76,87,277
Railway Depreciation and Reserve Funds as per Railway Budget	16,12,86,706	...	16,12,86,706
Carried over	7,01,45,58,139	2,03,25,67,954	

* Sterling converted into

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,23,07,10,000	39,44,23,000		1,24,05,29,000	60,09,75,000	
1,03,87,00,000	..		1,76,00,00,000	.	
1,20,31,30,000	...		27,50,00,000	.	
70,00,00,000	..		30,00,00,000	.	
2,94,18,30,000	...	2,94,18,30,000	2,33,50,00,000	..	2,23,50,00,000
17,000	...		17,000	.	
3,000	...		...	...
12,43,000	2,67,000		12,43,000	3,14,000	
7,67,83,000	...		9,50,00,000	.	
37,12,05,000	..		36,77,40,000	.	
44,92,51,000	2,67,000	44,95,18,000	46,40,00,000	3,14,000	46,43,14,000
13,56,00,000	...		20,58,00,000	.	
9,70,000	..		9,48,000	..	
15,98,76,000	...		16,02,66,000	...	
9,89,68,000	...		9,80,31,000	...	
...	
5,62,49,000	...		...	.
...	
...	1,00,88,00,000		..	53,33,62,000	
..	59,86,67,000		...	18,11,92,000	
...	...		...	10,39,60,000	
3,95,000	..		90,000	...	
1,04,00,000	..		1,30,00,000	...	
.	..		25,00,000	...	
82,97,000	.		89,37,000	...	
4,58,000	...		27,65,000	...	
2,50,000	..		44,47,000	...	
..	.		25 00,000	...	
..	.		5,00,000	..	
..	.		10,00,000	..	
96,88,01,000	..		93,76,16,000	.	
35,74,56,000	70,000		38,43,74,000	63,000	
48,40,000	...		...	...
6,30,68,000	...		9,41,61,000	..	
.	...		81,00,000	...	
7,73,49,000	10,62,12,000		3,43,74,000	89,32,000	
4,12,000	...		...	...
...	1,87,84,000		80,17,000	1,63,71,000	
...	...		56,62,000	...	
1,94,33,89,000	1,73,19,33,000	3,67,53,22,000	1,97,30,89,000	84,38,80,000	2,81,69,69,000
12,23,76,000	..	12,23,76,000	11,89,50,000	...	11,89,50,000
6,68,75,56,000	2,12,66,23,000		6,12,65,68,000	1,44,51,69,000	

Rupees at 21 = Rs. 134.

C.—Statement of Receipts and Disbursements of the

DISBURSEMENTS— <i>consolid.</i>	ACCOUNTS, 1933-34.		
	India.	* England	Total.
	Rs.	Rs.	Rs.
Brought forward	7,01,45,58,139	2,03,25,67,954	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	3,36,85,000	...	
Other Loans and Advances	1,91,67,211	...	
TOTAL	5,28,52,211	...	5,28,52,211
Remittances—			
I.—Remittances within India—			
Inland Money Orders	77,78,31,297	...	
Other Local Remittances	...	...
Other Departmental Accounts	...	...
Net Payments into Civil Treasuries by—			
Railways	12,69,57,107	...	
Posts and Telegraphs	11,49,27,172	..	
Net Issues from Civil Treasuries to—			
Defence Services	31,30,41,769	...	
II.—Remittances between England and India—			
Remittance Account—			
Iraq drawings	78,14,000	...	
Sale of Silver	5,21,40,717	...	
Other transactions	2,61,96,173	1,32,56,218	
Sterling purchased in India	60,21,06,667	...	
Sterling obtained in London	8,04,167	...	
Transfers through the Gold Standard Reserve	...	15,50,13,333	
Transfers through the Paper currency Reserve	...	8,25,24,916	
TOTAL	2,02,18,19,069	25,07,94,462	2,27,26,13,531
Balances of Provincial Governments		3,18,49,366	3,18,49,366
TOTAL DISBURSEMENTS	9,08,92,29,419	2,31,52,11,782	
Closing Balance	11,88,97,891	(b) 20,87,50,507	
GRAND TOTAL	9,20,81,27,310	2,52,39,62,289	

*Sterling converted into Rupees at £1 = Rs. 13½.

(b) Of this amount, £ 568 represents funds of the Gold Standard Reserve.

Central Government, in India and in England—*conold.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
6,68,75,56,000	2,12,66,23,000		6,12,65,68,000	1,44,51,69,000	
4,00,00,000	...		10,25,00,000	...	
1,57,94,000	...		75,72,000	...	
5,57,94,000	...	5,57,94,000	11,00,72,000	...	11,00,72,000
80,34,00,000	...		82,57,00,000	...	
18,54,000	...		19,22,000	...	
2,97,17,000	...		2,97,04,000	...	
14,14,63,000	...		11,18,00,000	...	
4,84,04,000	...		3,16,08,000	...	
31,60,09,000	...		32,69,27,000	...	
86,00,000	..		80,00,000	...	
3,86,67,000	...		4,00,00,000	...	
1,51,14,000	1,33,07,000		1,33,26,000	1,39,88,000	
52,00,00,000	...		34,69,20,000	...	
4,52,000	...		...	...
...	
...	17,86,67,000		...	...
1,92,86,80,000	19,24,74,000	2,11,61,54,000	1,73,59,07,000	1,39,88,000	1,74,98,95,000
	3,30,54,000	3,30,54,000	...	3,27,73,000	3,27,73,000
8,66,70,30,000	2,35,21,51,000		7,97,25,47,000	1,49,19,30,000	
13,05,48,891	(b) 14,17,95,507		12,29,11,891	(b) 96,76,507	
8,79,75,78,891	2,49,39,46,507		8,09,54,58,891	1,50,16,06,507	

*Sterling converted into Rupees at £ 1—Rs. 13½.

(b) of this amount, £ 568 represents funds of the Gold Standard Reserve.

D—Abstract, Statement of the Receipts and Disbursements of the Central Government, in India and in England.

Revenue and Expenditure.	ACCOUNTS, 1933-34.		REVISED ESTIMATE, 1934-35.		BUDGET ESTIMATE, 1935-36.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	46,17,84,705		50,07,90,000		50,69,08,000	...
Taxes on Income	16,30,36,609	..	16,39,56,000	...	15,48,42,000	...
Salt	7,70,91,206	...	7,39,25,000		7,55,12,000	...
Opium	88,15,310	.	35,43,000	...	25,35,000	...
Other Heads	1,25,48,717	.	1,31,60,000	.	1,31,67,000	...
TOTAL	72,33,76,447	...	75,53,73,000		75,29,63,000	...
Forest and other Capital Outlay charged to Revenue . . . . .	.	88,887	...	1,14,000	...	49,000
Irrigation . . . . .	.	3,95,624		5,77,000	...	5,43,000
Railways . . . . .		..	...	...	...	...
Posts and Telegraphs . . . . .	.	56,67,089	10,34,000	...	...	15,94,000
Debt Services . . . . .	..	10,65,74,298	..	11,16,58,000	...	12,56,57,000
Civil Administration . . . . .	..	8,77,40,189	.	10,65,34,000	...	9,24,38,000
Currency and Mint	74,10,299	...	55,14,000	..	74,45,000	...
Civil Works . . . . .	...	1,71,30,411	.	2,22,30,000	..	2,02,02,000
Miscellaneous . . . . .	..	3,43,31,096	.	3,62,63,000	...	3,69,12,000
Defence Services . . . . .	.	44,42,47,000	..	44,34,26,000	...	44,98,00,000
Provincial Contributions and Miscellaneous Adjustments between Central and Provincial Governments . . . . .	..	1,00,00,000	...	2,94,90,000	...	3,04,94,000
Extraordinary Items . . . . .	...	2,46,09,222	...	1,08,25,000	..	1,36,000
TOTAL	73,06,66,746	73,08,68,746	76,19,10,000	76,06,37,000	76,04,08,000	75,98,36,000

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concl'd.*

Revenue and Expenditure.	Accounts, 1933-34.		REVISED ESTIMATE, 1934-35.		BUDGET ESTIMATE, 1935-36.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus or deficit . . . . .	..	...	13,73,000	.	5,83,000	.
Capital Account—						
Capital outlay on Security Printing Press . . . . .	...	—9,01,165	...	—1,15,000	.	—1,04,000
Railway Capital not charged to Revenue . . . . .	...	—1,81,48,888	...	1,82,98,000	...	5,50,00,000
Capital outlay on Posts and Telegraphs . . . . .	..	5,38,282	...	34,50,000	...	55,07,000
Capital outlay on Vizagapatam Port . . . . .	...	51,01,505	..	15,00,000	...	12,50,000
Capital outlay on Light-houses and Light-ships . . . . .	...	.	.	..	...	...
Currency Capital outlay . . . . .	...	—4,14,277	..	—48,000	...	4,99,14,000
Initial expenditure on New Capital at Delhi . . . . .	...	9,09,579	...	75,60,000	..	52,48,000
Civil Works . . . . .	...	1,77,312	...	...	...	...
Payment of commuted value of pensions . . . . .	..	82,99,28	...	54,18,000	...	43,93,000
Payments to Retrenched Personnel . . . . .	...	2,94,348	...	—1,11,000	.	—4,00,000
Outlay on Orissa and Sind . . . . .	..	...	..	.	...	20,00,000
Debt, Deposits, Advances and Remittances—						
Permanent Debt . . . . .	...	4,90,80,068	3,77,71,000	...	...	25,42,31,000
Floating Debt . . . . .	.	2,33,50,000	..	9,73,70,000	.	3,50,00,000
Unfunded Debt	22,81,07,211	..	15,91,25,000	..	18,08,56,000	...
Deposits and Advances . . . . .	...	9,64,87,282	...	7,72,86,000	19,83,19,000	..
Loans and Advances by Central Government . . . . .	..	2,23,56,140	.	3,54,54,000	...	10,23,68,000
Remittances	6,94,471	.	2,83,000	..	5,91,000	..
Balances of Provincial Governments	25,23,349	...	...	40,00,000	...	57,00,000
Opening Balance	27,78,32,844	...	32,76,48,398	..	27,28,44,398	.
Closing Balance . . . . .	..	32,76,48,398	...	27,28,44,398	..	13,25,88,398
TOTAL	51,47,57,875	51,47,57,875	51,61,00,398	52,61,00,398	65,26,92,398	65,26,92,398

THE INDIAN FINANCE BILL, 1935.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 28TH FEBRUARY 1935.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930; It is hereby enacted as follows:—

Short title and extent.

1. (1) This Act may be called the Indian Finance Act, 1935.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that

Fixation of salt duty

section a duty on salt manufactured in, or imported into, any part of British India other than Burma or Aden, be construed as if, for the year beginning on the 1st day of April, 1935, they imposed such duty at the rate of one rupee and four annas per maund of eightytwo and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

3. (1) In the First Schedule to the Indian Tariff Act, 1934,—

Amendments of the First and Second Schedules to Act XXXII of 1934.

XXXII of 1934.

in Items Nos. 61 (2) and 62 (1) for the words "Five annas per ounce" in the fourth column the words "Two annas per ounce" shall be substituted.

(2) In the Second Schedule to the Indian Tariff Act, 1934, the heading "SKINS" together with Item No. 3 under that heading shall be omitted.

XXXII of 1934.

4. For the year beginning on the 1st day of April, 1935, the Schedule

Inland postage rates.

contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act,

1898, as the First Schedule to that Act.

VI of 1898.

5. (1) Income-tax for the year beginning on the 1st day of April, 1935,

Income-tax and super-tax.

shall be charged at the rates specified in Part I of the Second Schedule, increased in each case,

except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part, by one-sixth of the amount of the rate.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1935, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule, increased in each case by one-sixth of the amount of the rate.

XI of 1922.

XI of 1922. (3) For the purposes of the Second Schedule "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

XI of 1922. (4) For the purpose of assessing and collecting income-tax on total incomes of less than two thousand rupees the Indian Income-tax Act, 1922 shall be deemed to be subject to the adaptations set out in Part III of the Second Schedule.

(5) For the purpose of any assessment to be made for the year ending 31st March, 1936, the rate of income-tax applicable to such part of the total income of any person as is derived from salaries or from interest on securities paid in the year ending 31st March, 1935, shall be the previous year's rate, and for the purposes of refunds under sub-section (1) or sub-section (3) of Section 48 in respect of dividends declared in the year ending 31st March, 1935, or of payments made in the said year of salaries or of interest on securities, the rate applicable to the total income of the person claiming refund shall be the previous year's rate.

Explanation.—In this sub-section the term "previous year's rate" with reference to any person means the rate of income-tax which would have been applicable to his total income if he had been assessed for the year ending 31st March, 1935, on a total income equal to that on which he is assessable for the year ending 31st March, 1936.

XVIII of 1930.

6. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930—
Excise duty on silver. for the words "five annas" the words "two annas" shall be substituted.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[See section 4.]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[See section 7.]

Letters

For a weight not exceeding half a tola	One anna.
For a weight exceeding half a tola but not exceeding two and a half tolas.	One anna and three pies.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas.	One anna and three pies.

Postcards

Single	Nine pies.
Reply	One and a half annas.

Book, Pattern and Sample Packets.

For the first five tolas or fraction thereof	Nine pies.
For every additional five tolas or fraction thereof in excess of five tolas.	Six pies.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas.	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas.	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas . .	Four annas.

SCHEDULE II.

[See section 5.]

PART I.

Rates of Income-tax.

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—

	Rate.
(1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500.	One and one-third pies in the rupee.
(2) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000.	Two and two-thirds pies in the rupee.
(3) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Six pies in the rupee.
(4) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Nine pies in the rupee.
(5) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	One anna in the rupee.
(6) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	One anna and four pies in the rupee.
(7) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and seven pies in the rupee.
(8) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and eleven pies in the rupee.
(9) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	Two annas and one pie in the rupee.
(10) When the total income is Rs. 1,00,000 or upwards.	Two annas and two pies in the rupee.

B. In the case of every company and registered firm, whatever its total income,

Two annas and two pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over thirty thousand rupees of total income—

	Rate.
(1) in the case of every company—	
(a) in respect of the first twenty thousand rupees of such excess	Nil.
(b) for every rupee of the remainder of such excess	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first forty-five thousand rupees of such excess	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such	One anna and three pies in the rupee.

	Rate.
(b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the first twenty thousand rupees of such excess.	Nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess.	One anna and three pies in the rupee.
(c) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the next fifty thousand rupees of such excess.	One anna and nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess.	Two annas and three pies in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess.	Two annas and nine pies in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess.	Three annas and three pies in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess.	Three annas and nine pies in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess.	Four annas and three pies in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess.	Four annas and nine pies in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess.	Five annas and three pies in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess.	Five annas and nine pies in the rupee.
(x) for every rupee of the remainder of such excess	Six annas and three pies in the rupee.

PART III.

Adaptations of the Indian Income-tax Act, 1922, to provide for the summary assessments of income-tax on total incomes of less than Rs. 2,000.

1. The Income-tax Officer may, save where he has served a notice under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, make a summary assessment of the income of an assessee to the best of his judgement and shall serve on the assessee a notice of demand in a form to be prescribed by the Central Board of Revenue; and such notice shall be deemed to be a notice of demand under section 29 of that Act.

2. Any assessee in respect of whom such summary assessment has been made, may, within thirty days of receipt of the notice of demand, make an application to the Income-tax Officer for the cancellation or revision of the

assessment, and the Income-tax Officer shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Income-tax Officer may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final :

Provided that, if any assessee making such application files therewith a return of his income under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, the application shall be deemed to be a return under that sub-section and shall be dealt with accordingly.

3. A copy of an order under paragraph 2 shall be served on the assessee to whom it relates and shall be deemed to be a notice of demand under section 29 of the Indian Income-tax Act, 1922.

4. The above procedure shall apply also to the assessment and collection during the financial year 1935-36 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1934-35.

STATEMENT OF OBJECTS AND REASONS.*

The object of this Bill is to continue for a further period of one year certain duties and taxes imposed under the Indian Finance Act, 1934, which would otherwise cease to have effect from the 1st April 1935; to reduce the income-tax on incomes of Rs. 1,000 or upwards but less than Rs. 2,000; to reduce the surcharges on income-tax and super-tax; to reduce the import and excise duties on silver, and to abolish the export duty on raw skins.

2. Clauses 2 and 4 provide for the continuance for a further period of one year of the existing provisions regarding salt duty and inland postage rates. The duty of Rs. 1-4-0 per maund on salt remains liable to the additional duty imposed under Section 5 of the Indian Finance (Supplementary and Extending) Act, 1931.

3. Clause 3 provides for the reduction of the import duty on silver from five annas per ounce to two annas per ounce and for the abolition of the export duty on raw skins.

4. Clause 5 provides for the continuance for a further period of one year of the existing rates of income-tax and super-tax with the following alterations :—

- (a) The rate of income-tax when the total income is Rs. 1,000 or upwards but is less than Rs. 1,500 is reduced from two pies to $1\frac{1}{2}$ pies;
- (b) The rate of income-tax when the total income is Rs. 1,500 or upwards, but less than Rs. 2,000 is reduced from four pies to $2\frac{3}{4}$ pies; and
- (c) the surcharges on income-tax and super-tax are reduced from one-fourth to one-sixth.

As it is proposed to retain the tax on incomes of Rs. 1,000 and upwards but below Rs. 2,000 per annum at a reduced rate, clause 5 (4) provides for the continuance of the existing procedure for the assessment of such incomes which has already been approved by the Legislature.

Clause 5 (5) provides that incomes from salaries and interest on securities should be finally taxed for purposes of income-tax and not super-tax at the rates applicable to a total income of like amount which was in force at the time when the taxation at source on these incomes took place; otherwise salary earners, for example, will be able not only to secure the advantage of reduced rates during 1935-36 but also to obtain a refund of part of the tax which had been deducted from their salaries during 1934-35. It also makes a similar provision for purposes of refunds under sub-section (1) or sub-section (3) of section 48 in respect of dividends declared in the year ending 31st March, 1935, or of payments made in the said year of salaries or of interest on securities. These provisions form the counterpart of a concession that has been allowed from time to time in the past when rates of income-tax were being enhanced.

5. Clause 6 provides for the reduction of the excise duty on silver corresponding to the reduction in import duty.

6. The reasons for making the above changes have been fully explained in my budget speech.

NEW DELHI ;
The 28th February 1935.

P. J. GRIGG.

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL, 1935

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 28TH FEBRUARY
1935.*A Bill further to extend the operation of the Salt (Additional Import Duty) Act
1931.*

WHEREAS it is expedient further to extend the operation of the Salt (Ad-
ditional Import Duty) Act, 1931 ; It is hereby enacted as follows :—

XIV of
1931.

1. This Act may be called the Salt Additional Import Duty (Extending),
Short title. Act, 1935.

2. In sub-section (3) of section 1 of the Salt (Additional Import Duty)
Act, 1931, for the figures " 1935 " the figures
" 1936 " shall be substituted.

Amendment of section 1, Act
XIV of 1931.

XIV of
1931.

STATEMENT OF OBJECTS AND REASONS.

The purpose of this Bill is to extend the life of the Salt (Additional Import Duty) Act, 1931 for a further period of twelve months.

NEW DELHI ;
The 23rd January, 1935. }

P. J. GRIGG.

**Speech of the Financial Secretary in the Council of State on the 28th
February 1935.**

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, I rise to present the statement of estimated expenditure and revenue of the Governor General in Council for the year 1935-36 in respect of subjects other than Railways. Honourable Members will find a detailed statement of the estimates in the printed papers which will presently be placed in their hands. I shall follow the example of my predecessors in confining myself in this speech to an explanation of their main features.

2. When Sir Alan Parsons presented the current year's estimates to the House a year ago, it was anticipated that the surplus of the year 1933-34, then drawing to a close, would amount to Rs. 1,29 lakhs which, it was decided, should be set apart to meet the expenditure that the Central Government undertook to defray in the Provinces, principally the province of Bihar, in which I was then serving, which had suffered from the earthquake. In the event the surplus has proved to be very much larger than was expected and amounted in fact to 2,72 lakhs.

Amongst the causes which contributed to this unexpectedly large surplus the principal were the payment of large sums of duty on salt cleared before the end of the year by dealers who anticipated a rise of the duty at the beginning of the current year, a rise in customs revenue, and the failure of holders of Government securities to draw interest.

3. The House will remember that the Central Government undertook to assist Bihar by bearing the whole cost of restoring the property and finances of the local bodies involved in the earthquake, and the whole of the cost of the special measures taken by the Local Government for dealing with the sugarcane crop. They also undertook to defray half the cost of restoring the Local Government's own buildings and other public works. It was the intention that this expenditure on Government buildings should be treated as capital expenditure, but it has now been decided to debit it against the surplus. The total of these three items is at present estimated to amount to 1,81 lakhs. There are also certain outstanding liabilities in regard to the loans advanced by the Government of Bihar and Orissa to agriculturists and for the re-building of houses, and we are committed to giving 6 lakhs to Bengal for earthquake restoration. It has therefore been decided to leave 2,10 lakhs for the present in the suspense account and to transfer 62 lakhs from that head to the general balance where it becomes available automatically for debt redemption.

4. I now turn to the current year. When the budget was passed a year ago, it was anticipated that there would be a small revenue surplus of just over 10 lakhs. I am glad to say that the event has proved more satisfactory than the anticipation, and that the revenue surplus of the current year is now estimated to amount to 3,27 lakhs. Expenditure has increased beyond the estimate to the extent of 70 lakhs, but this has been more than counterbalanced by an improvement of revenue of no less than 3,87 lakhs. This large increase has occurred almost entirely under the Customs head, under which three items alone account for an improvement of 3,40 lakhs. The import duty on sugar has yielded 1,70 lakhs, that on cotton fabrics 90 lakhs, and that on yarn and textile fabrics other than artificial silk 80 lakhs more than was expected. In the case of sugar the working season of the Indian mills has only recently begun and it is doubtful if we shall realise the excise duty on sugar to the full budgeted figure; we have therefore reduced the revised under the excise head by 32 lakhs. Apparently the switch-over from imported to locally manufactured sugar is not being so quickly effected as was expected last year.

We expect that the excise duty on matches will fall short of the budget by 23 lakhs.

5. Under Income-tax the revised estimate for this year is the same as the budget. Under Salt there is a drop of 18 lakhs owing to the heavy clearances at the end of the preceding year to which I have already referred.

6. The Posts and Telegraphs department shows an increased net revenue of just under 28 lakhs, an anticipated deficit of 14 lakhs having been converted into a surplus of the same amount. This figure reflects the general improvement in economic conditions during the year, mostly in increased sales of stamps, and is also partly due to the increased use of telephones and the maintenance of the book packet traffic in spite of the increase in the initial charge made last year. This is the first occasion on which a surplus has been realised by the department since 1926-27, but it must be remembered that even this has only been realised with the assistance of a draft of 27 lakhs on the departmental depreciation fund.

7. Under Interest there is expected to be an improvement of 26 lakhs over the budget, an increase of 94 lakhs in the form of interest on the Gold Standard Reserve being neutralised to the extent of 67 lakhs by the decision to charge the Bahawalpur State no interest this year on the loan of about 12½ crores which it has taken. The greater part of this loan was advanced to the State at the rate of 5½ per cent. The State is finding it impossible to pay interest at the present time, and in view of the reduction of their own borrowing rate Government are now considering the possibility of a revised settlement. There are, however, so many uncertain factors in the situation that it is thought wiser to postpone a permanent settlement for the present, and meanwhile to accept the situation and charge no interest for this year or the next—a fact which will, of course, be borne in mind when the final settlement comes to be made.

8. As regards expenditure, I shall refer only to the increase from 1,26 to 1,69 lakhs under Miscellaneous adjustments between the Central and Provincial Governments. When the budget was presented last year, provision was made for the transfer to the jute growing provinces of half the proceeds of the duty on jute exported. As passed, the budget only provided for the transfer of one-half of two-thirds of the amount of the duty, owing to certain misgivings as to our revenue; but in the discussion on the Match (Excise Duty) Bill Sir George Schuster promised that if the budget turned out better than was expected, the full half would be transferred. That undertaking is now being implemented at a cost of 43 lakhs. The result of these various factors is, as I have said, to leave us at the end of the year with a surplus very much larger than we anticipated. The surplus is a non-recurring surplus and cannot be used for meeting expenditure of a recurring nature. The proposals of Government for dealing with it are as follows

9. In the first place, it is proposed to take the opportunity of charging to revenue the cost of the Civil Aviation programme (93 lakhs), and the transfer of the Pusa Institute (36 lakhs), which it had been decided with some misgivings to charge to capital. Whatever benefits might have accrued to the country from these two schemes in the long run, they could hardly be regarded as remunerative in the strict sense of that word.

10. Government's other proposals for dealing with the surplus are as follows:—

- (i) A sum of 1,00 lakhs will be set aside for economic improvements in rural areas. This subject is primarily a provincial one, but

during the years of financial embarrassment the Local Governments have found it impossible to provide adequate funds to prosecute schemes of this nature. With nine out of every ten persons in India living in villages and the Provincial Governments still unable to finance schemes for the improvement of life in the villages, the Government of India think that the first claim on their surplus comes from the villages. A part of this sum will be set aside for promoting the co-operative movement. The new Reserve Bank is obliged by Section 54 of the Act to create a special agricultural credit department, and Mr. Darling, an experienced officer of the Punjab, has been touring India in order to report and advise on this matter. He will also report on the present state of the co-operative movement and on receipt of that report, the Government of India will decide how this money which is to be set apart for the promotion of co-operation can be most suitably utilised. As regards the schemes on which the balance of this allotment will be utilised, it is proposed that they should be approved by the Government of India and that they should be such schemes as the Local Governments would not otherwise have been able to undertake in the immediate future. Although the approval of the Central Government will be necessary, the suggestions will of course come from the Provinces.

- (ii) A sum of 40 lakhs will be added to the Government of India's reserve in the Road Development Fund. This reserve is used for financing roads of special importance or in parts of India where assistance is specially needed. The scope for development in this direction is still great, and money prudently invested in improving the system of communications is money well spent. It is the intention that the case of Assam should receive special consideration in connection with this allocation.
- (iii) It is proposed to spend a sum of 25 lakhs on schemes of development in the tribal areas on the North-West Frontier, chiefly on roads. The Government of India are satisfied after very careful consideration that this expenditure is amply justified on financial no less than on political grounds, and that there is no more effective means of ensuring a reduction in the heavy expenditure which it has unfortunately been necessary to incur from time to time on military operations in the tribal areas in the past.
- (iv) Finally, it is proposed to provide 20 lakhs for the development of broadcasting. It is the intention to improve the existing transmitting stations at Calcutta and Bombay and to develop stations at Delhi and Madras. If any Honourable Member has any doubt about the imminence of the development of this new service, I would refer him to the figures of customs duty levied on wireless apparatus. In 1931-32 a sum of just over 1 lakh was realised; in the current year we budgeted for 3 lakhs, and the revised has been increased to 7 lakhs, and next year we are budgeting for 8 lakhs. It is desirable that steps should be taken to satisfy this rapidly increasing demand.

11. The total of these six items amounts to 3,14 lakhs, which, being deducted from the surplus of 3,27 lakhs, leaves a balance of 13 lakhs. This sum together with the 62 lakhs from the surplus of 1933-34 will be added to the balance and go towards the reduction of debt.

12. So much then for the current year and for the manner in which it is proposed to deal with its surplus. I turn now to a subject which Honourable Members are probably awaiting with a more lively interest, namely, the estimates for the coming year.

13. And first let me refer to the subject, which has recently been much ventilated in the press, of the cut in pay. As the Honourable Finance Member announced the other day, this cut will not be re-imposed next year either on the All-India Services or the Services under the rule-making powers of the Central Government. A very specific undertaking was given and repeated that this would be the first of the emergency measures to be removed when opportunity offered, and Government have felt bound to make that undertaking good. The cost will be 1,08 lakhs in the year, including the cost of the Army and Posts and Telegraphs Department but excluding Railways. Against this must be set increased income-tax receipts from Government servants of 16 lakhs, so that the net increase is 92 lakhs. This accounts for practically the whole of the increase in the expenditure proposed for next year.

14. If no change is made in the scale of taxation now in force, we estimate that the revenue of 1935-36 (excluding of course railway revenue) will amount to 90 crores and 19 lakhs and that, if no increase of any importance apart from the restoration of the pay cut is made in our expenditure, our expenditure will amount to 88 crores and 69 lakhs.

15. I will deal very briefly with the principal heads of revenue and expenditure for next year.

16. Under Customs we anticipate an increase of 4,16 lakhs over the current year's budget and of 75 lakhs over the revised. The prospects of revenue under this head are generally favourable except as regards sugar. It is probable that the switch-over from imported to indigenous sugar which did not occur this year will occur next. We have accordingly allowed for a decrease of 2,00 lakhs as compared with the revised under the head of import duty against which may be set the very much smaller increase of 35 lakhs which we have made under the head of excise.

17. Under Income-tax, apart from certain proposals to which I shall presently refer, the budget is better than the revised by 51 lakhs, 35 of this reflecting the improvement of incomes in the current year, and 16 the restoration of the pay cut next year.

18. For Salt we are taking the same figure as this year's budget which is 18 lakhs better than this year's revised.

19. Under Opium there is a further fall of 10 lakhs below the revised. Our dealings in provision opium will cease altogether in the course of next year.

20. In the Posts and Telegraphs Department we expect next year a net deficit, taking the revenue and expenditure heads together, of 13 lakhs. This is due to the restoration of the pay cut, which in the case of this Department will cost 27 lakhs. The scale of contributions to the depreciation fund has recently been engaging the attention of a committee of experts. No final orders have yet been passed on their recommendations, but Government have, in anticipation, decided to reduce by 10 lakhs the sum that would have to be contributed to the fund next year according to the old formula.

21. Under the head Interest we again waive the amount due from Bahawalpur State. More important, we lose the interest on the securities in the Gold Standard Reserve amounting to about 1½ crores of rupees which is being transferred to the Reserve Bank.

22. The drop of 22 lakhs of revenue under Currency and Mint is primarily due to the transfer to that Bank of the Paper Currency Reserve and the loss of the interest on the securities contained in it. On the other hand, we are taking credit for 50 lakhs as our share of the Bank's profits for next year.

23. On the subject of next year's expenditure I propose to be very brief. The heavy drops under Civil Administration and Extraordinary are due to the inclusion in this year's revised estimates of the projects which I have mentioned as those to which Government propose to allocate the current year's surplus, expenditure which will not be repeated next year. There is a large reduction of 93 lakhs in the interest on Ordinary Debt due principally to successful conversion operations. On the other hand, there is a big increase of 1.04 lakhs under Interest on Other Obligations of which the principal ingredient is an extra 60 lakhs for bonus on Post Office Cash certificates.

24. For the Reduction and Avoidance of Debt we are providing 3 crores as in the current year, which sum we regard as a sufficient provision in the absence of a contribution from the Railways.

25. The net provision for Defence expenditure next year amounts to 44 crores and 98 lakhs. In 1929-30 the net expenditure on Defence amounted to 55 crores and 10 lakhs; it then started to fall progressively till it reached 44 crores and 35 lakhs in this year's revised. Next year's increase is primarily due to the restoration of the pay cut which accounts for 53 of the 63 lakhs. During the years of ruthless retrenchment many necessary replacements were postponed, and the time has come when in the interests of economy some of these charges can be postponed no longer. A sum of 67 lakhs in all is being provided next year for this purpose, which has been made possible within the budgeted figure by close budgeting and economies in other directions.

26. The sum total of next year's expenditure amounts, as I have already stated, to 88 crores and 69 lakhs which, being deducted from 90 crores and 19 lakhs, the sum total of the revenue, leaves an available margin of 1.50 lakhs. I have now to explain to the House how Government propose to deal with this surplus.

27. Government have recognised that after the removal of the pay cut the first relief to be afforded is the removal of the surcharge on the income-tax and super-tax. The removal of the whole of the surcharges on the super-tax and income-tax would cost 3.34 lakhs in a year, and the removal of the tax on the smaller incomes below Rs. 2,000 a year would cost another 75 lakhs. The surcharge and the tax on small incomes clearly therefore cannot be abolished at one stroke. Government propose to reduce the surcharge and the tax on small incomes next year by one-third at a cost of 1.36 lakhs. The relief is not so much as Government would have wished to give, but it is all that can be afforded.

28. Government also propose to give relief in one other direction. The export trade in skins has been reduced this year to a little more than half of what it was during the corresponding period of the year before. Government think it desirable to sacrifice the 8 lakhs of revenue which they might have expected to receive from the export duty on skins during 1935-36 in order to safeguard India's export trade in this article. The budget therefore provides that this export duty will be abolished.

29. It is also proposed to reduce the export duty on silver from 5 to 2 annas an ounce. A great deal of silver is at present being smuggled into this country; by the proposed reduction we do not anticipate any loss of revenue and the budget therefore is not affected one way or the other. But we do hope that it will stop smuggling in the interests of honest business.

30. The budget provides that the additional import duty on salt will be retained. It is the intention of Government that this tax should be retained during 1935-36 and that the proceeds should be distributed as at present. But Government desire to make it clear that they would be prepared to remove this duty at once if there was a clear indication of the desire of the Legislature that this should be done.

31. This year we issued no sterling loans, but two rupee loans, one of $3\frac{1}{2}$ per cent loan 1947-50, and the second of 3 per cent. bonds 1941. Together these loans produced 35 crores and 80 lakhs. With the proceeds of these loans 32 crores and 42 lakhs of permanent debt bearing higher rates of interest were replaced. In the course of the year treasury bills issued to the public will be reduced by 11 crores, and the net result of the year's operations is that the unremunerative debt will be reduced by $1\frac{1}{2}$ crores.

32. Exchange has been strong, thanks principally to the continued export of gold which has fallen little below the figure of the previous year. £39 millions sterling will have been remitted to the Secretary of State, of which £13·4 millions will be used to strengthen our external reserves against the note issue.

33. I have now completed my survey of the main features of the estimates for 1935-36. It has not been possible in framing the budget for the year to assume that it will be a year of unalloyed prosperity. It is true that we may now reasonably claim to have passed the lowest point of our fortunes. Such indications of reviving trade as traffic and customs returns clearly show that this is so and there is every reason to hope that, as soon as world conditions permit, India will be one of the first countries to feel the benefits of the return of prosperity. In these circumstances, it has not been possible to make any sweeping reduction of the burden of the emergency taxation, but we have taken such steps as we could, consistently with a balanced budget, to alleviate those burdens, dealing with them in the order to which the Government of India already stood committed. There is nothing dramatic or unexpected about this budget. The policy which has been followed in framing it has been the sound policy—the policy that has resulted in the credit of India standing as high as it stands today.

34. There is one other point to which I wish to refer before I conclude my speech. The introduction of the new constitution, if the Government of India Bill is passed into law, will cost money. Apart from the creation of enlarged legislatures and new federal institutions, there are other commitments to be met such as the subventions to deficit Provinces and the separation of Burma. All these will involve inroads into Central revenues which must be faced and provided for—no easy task—before we can look forward to a securely balanced Central budget.

35. I have trespassed for a long time on the patience of the House but I have now finished. I can only express the hope that what I have said will help Honourable Members to understand the papers placed in their hands and persuade them to give the proposals of Government their approval and support.

Details of voted and non-voted amounts included in the Demands for Grants for expenditure of the Central Government (excluding Railways) for the year 1935-36.

Number of Demand	Service, Administration or Area to which demand relates	Head of Account	Amount-		
			Voted	Non-voted.	Total
			Rs	Rs.	Rs.
	A — EXPENDITURE CHARGED TO REVENUE				
16	Customs	Customs	78,81,000	34,57,000	1,13,38,000
17	Taxes on Income	Taxes on Income	87,92,000	2,30,000	90,22,000
18	Salt	Salt	72,82,000	45,05,000	1,17,87,000
19	Opium	Opium	34,23,000	1,58,000	35,81,000
19A	Excise	Excise	4,68,000	2,17,000	6,85,000
20	Stamps	Stamps	18,42,000	45,000	18,87,000
21	Forest	Forest	5,13,000	1,49,000	6,62,000
22	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc, Works.	3,95,000	3,00,000	6,95,000
23	Indian Posts and Telegraphs Department (including Working Expenses)	Posts and Telegraphs	10,55,95,000	97,06,000	11,53,01,000
25	Interest on Debt and Reduction or Avoidance of Debt	Interest on Ordinary Debt.	21,33,000	1,51,20,000	1,72,53,000
26	Interest on Miscellaneous Obligations.	Interest on other Obligations	66,28,000	11,00,32,000	11,66,60,000
27	Staff, Household and allowances of the Governor-General		4,60,000	10,08,000	14,68,000
28	Executive Council		73,000	4,86,000	5,59,000
29	Council of State		1,34,000	8,000	1,42,000
30	Legislative Assembly and Legislative Assembly Department.		7,03,000	81,000	7,84,000
31	Foreign and Political Department		8,11,000	2,05,000	10,16,000
32	Home Department		6,80,000	9,22,000	16,02,000
33	Public Service Commission		1,55,000	2,21,000	3,76,000
34	Legislative Department		3,10,000	2,02,000	5,12,000
35	Department of Education, Health and Lands.	General Administration.	6,05,000	1,44,000	7,49,000
36	Finance Department		9,71,000	2,56,000	12,27,000
38	Commerce Department		3,83,000	1,16,000	4,99,000
39	Army Department		4,81,000	93,000	5,24,000
40	Department of Industries and Labour		4,84,000	1,28,000	6,12,000
41	Central Board of Revenue		1,97,000	1,20,000	3,17,000
42	Payments to Provincial Governments on account of Administration of Agency subjects		1,56,000	66,000	2,22,000
43	Audit	Audit	96,91,000	8,70,000	1,05,61,000
44	Administration of Justice	Administration of Justice.	55,000	..	55,000
45	Police	Police	2,19,000	78,000	2,97,000
46	Ports and Pilotage	Ports and Pilotage	11,02,000	9,42,000	20,44,000
47	Lighthouses and Lightships	Lighthouses and Lightships	9,40,000	20,000	9,60,000
48	Survey of India	Scientific Departments	21,11,000	5,67,000	26,78,000
49	Meteorology	Scientific Departments.	18,81,000	92,000	19,73,000
50	Geological Survey	Scientific Departments	2,02,000	2,28,000	4,30,000
51	Botanical Survey	Scientific Departments	1,22,000	31,000	1,53,000
52	Zoological Survey	Scientific Departments	83,000	46,000	1,29,000
53	Archæology	Scientific Departments	9,48,000	93,000	10,41,000
54	Mines	Scientific Departments	1,20,000	1,11,000	2,31,000
55	Other Scientific Departments	Scientific Departments	2,55,000	.	2,55,000
56	Education.	Education	6,11,000	31,000	6,42,000
		Carried over	16,98,45,000	15,10,24,000	32,08,69,000

Details of voted and non-voted amounts included in the Demands for Grants for expenditure of the Central Government (excluding Railways) for the year 1935-36—*contd.*

Number of demand.	Service, Administration or Area to which demand relates	Head of Account	Amount ands		
			Voted	Non-voted	Total
			Rs.	Rs.	Rs.
		Brought forward .	16,98,45,000	15,10,24,000	32,08,69,000
	A.—EXPENDITURE CHARGED TO REVENUE—<i>concd.</i>				
57	Medical Services	Medical	6,22,000	2,06,000	8,28,000
58	Public Health	Public Health	6,91,000	1,76,000	8,67,000
59	Agriculture	Agriculture	11,31,000	1,05,000	12,36,000
60	Imperial Council of Agricultural Research Department	Do	8,45,000	71,000	9,16,000
60-A	Scheme for the improvement of Agricultural Marketing in India	Do	4,73,000		4,73,000
61	Civil Veterinary Services	Do	6,90,000	45,000	7,35,000
62	Industries	Industries	7,44,000	2,000	7,46,000
63	Aviation	Aviation	15,06,000	12,000	15,18,000
64	Commercial Intelligence and Statistics	Miscellaneous Departments	5,18,000	67,000	5,85,000
65	Census	Do	1,000		1,000
66	Emigration—Internal	Do	16,000	3,000	19,000
67	Do—External	Do	1,91,000	53,000	2,44,000
68	Joint-Stock Companies	Do	1,28,000	16,000	1,45,000
69	Miscellaneous Departments	Do	8,12,000	21,000	8,33,000
70	Indian Stores Department	Indian Stores Department	19,87,000	1,41,000	21,28,000
71	Currency	Currency	14,64,000	73,000	15,37,000
72	Mint	Mint	15,83,000	73,000	16,56,000
73	Civil Works	Civil Works	2,10,25,000	15,07,000	2,25,32,000
74	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions	1,13,55,000	2,06,39,000	3,19,94,000
75	Stationery and Printing	Stationery and Printing	33,33,000	73,000	34,06,000
76	Miscellaneous	Miscellaneous	6,61,000	26,52,000	33,13,000
76A	Expenditure on retrenched personnel charged to revenue	Extraordinary charges	56,000	80,000	1,36,000
76-B	Miscellaneous Adjustments between the Central and Provincial Governments	Miscellaneous Adjustments between the Central and Provincial Governments	2,03,57,000	1,01,37,000	3,04,94,000
77	Refunds				
79	Baluchistan	Distributed over respective heads of account.	1,15,32,000	2,47,32,000	3,62,64,000
80	Delhi		27,83,000	43,01,000	70,84,000
81	Ajmer-Merwara		49,00,000	2,65,000	45,65,000
82	Andamans and Nicobar Islands		14,08,000	1,15,000	15,23,000
			25,70,000	2,28,000	27,98,000
83	Rajputana	Distributed over respective heads of account.			
84	Central India		3,99,000	7,60,000	11,59,000
85	Hyderabad		3,27,000	6,37,000	9,64,000
85A	Aden		42,000	5,64,000	6,06,000
86	Expenditure in England—Secretary of State for India		5,50,000	3,51,000	9,01,000
87	Expenditure in England—High Commissioner for India . . . . .	....	22,63,000	18,15,000	40,78,000
			26,39,000	33,04,000	59,43,000
Non-voted.	Ecclesiastical	Ecclesiastical . . . . .	..	28,95,000	28,95,000
	Political	Political . . . . .	..	1,06,00,000	1,06,00,000
	Frontier Watch and Ward	Frontier Watch and Ward . . . . .	..	1,80,31,000	1,80,31,000
	Territorial and Political Pensions	Territorial and Political Pensions . . . . .	..	30,30,000	30,30,000
	Bangalore	Distributed over respective heads of account.		14,63,000	14,63,000
	Western India States Agency			18,18,000	18,18,000
	Defence Services	Defence Services . . . . .	..	49,90,77,000	49,90,77,000
	TOTAL (Carried over)		26,88,08,000	76,11,62,000	1,02,99,70,000 (a)*

*See foot-note on page 55.

Details of voted and non-voted amounts included in the Demands for Grants for expenditure of the Central Government (excluding Railways) for the year 1935-36—*conold*

Number of Demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.		
			Voted	Non-voted	Total
	B.—Expenditure charged to Capital.	Brought forward .	Rs 26,88,08,000	Rs 76,11,62,000	Rs. 1,02,99,70,000 (a)
88	Capital outlay on Security Printing	Capital outlay on Security Printing Press	1,000	..	1,000
89	Forest Capital outlay . . .	Capital outlay on Forests	1,000	..	1,000
90	Irrigation	Construction of Irrigation Works.	1,000	..	1,000
91	Indian Posts and Telegraphs .	Capital outlay on Posts and Telegraphs	55,06,000	1,000	55,07,000
93	Currency Capital outlay . .	Currency Capital outlay not charged to Revenue.	1,000	5,00,00,000	5,00,01,000
94	Capital outlay on Vizagapatam Harbour.	Capital outlay on Vizagapatam Port.	12,50,000	..	12,50,000
95	Capital outlay on Light houses and Lightships.	Capital outlay on Lightships.	1,000	..	1,000
95A	Capital outlay connected with the institution of the Provinces of Orissa and Sind.	Capital outlay connected with the institution of the Provinces of Orissa and Sind	20,00,000	..	20,00,000
96	Commuted value of Pensions	Payment of Commuted Value of Pensions	20,68,000	23,25,000	43,93,000
96A	Expenditure on retrenched personnel charged to capital.	Payments to retrenched personnel.	1,000	.	1,000
97	Delhi Capital outlay . . .	Initial expenditure on New Capital at Delhi	52,45,000	.	52,45,000
	.. TOTAL		1,60,75,000	5,23,26,000	6,84,01,000
	C.—Disbursements of Loans and advances.				
98	Interest-free advances .. .	...	70,18,000	..	70,18,000
99	Loans and advances bearing interest.	...	11,00,72,000	..	11,00,72,000
	TOTAL . . .		11,70,90,000	..	11,70,90,000
	GRAND TOTAL . . .		40,19,73,000	81,34,88,000	1,21,54,61,000

(a) This figure is arrived at from the Budget Statement as follows:—

As per Statement B of the Budget Statement	Rs. 1,20,94,52,000
Add—Working Expenses—	
Posts and Telegraphs	10,62,05,000
Irrigation	1,44,000
Refunds	3,67,14,000
	1,35,25,15,000
Deduct—Railway Expenditure	32,25,45,000
	1,02,99,70,000

No 11.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT (CENTRAL REVENUES).

SALT.

New Delhi, the 30th March 1935.

NOTIFICATION.

In exercise of the powers conferred by section 7 of the Indian Salt Act, 1882 (XII of 1882), the Governor General in Council is pleased to make with effect from the 1st April 1935, the following rule :—

RULE.

A duty of one rupee and four annas per maund of 82-2/7 pounds avoirdupois is hereby imposed on salt manufactured in or imported by land into any part of British India other than Burma or Aden.

A. H. LLOYD,

Joint Secretary to the Government of India.

ORDINANCE No. I OF 1935.

AN

ORDINANCE

Temporarily to amend the Indian Post Office Act, 1898.

Act VI of 1898. WHEREAS an emergency has arisen which makes it necessary temporarily to amend the Indian Post Office Act, 1898;

NOW THEREFORE, in exercise of the powers conferred by section 72 of the Government of India Act, the Governor General is pleased to make and promulgate the following Ordinance:—

1. This Ordinance may be called the Indian Post Office (Amendment) Ordinance, 1935.

Short title.

2. For the period beginning on the first day of April, 1935, and ending as soon as an Act entitled *The Indian Finance Act, 1935*, shall have come into operation the following Schedule shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act, namely:—

Substitution of new Schedule for the First Schedule to Act VI of 1898.

Act VI of 1898.

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[See section 7.]

Letters.

For a weight not exceeding half a tola	One anna.
For a weight exceeding half a tola but not exceeding two and a half tolas	One anna and three pies.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna and three pies.

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Book, Pattern and Sample Packets.

For the first five tolas or fraction thereof	Nine pies.
For every additional five tolas, or fraction thereof, in excess of five tolas	Six pies.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas . .	Four annas."

WILLINGDON,

Viceroy and Governor General.

NEW DELHI;

The 30th March 1935.

ORDINANCE No. II OF 1935

AN

ORDINANCE.

Temporarily to provide for the deduction at source of income-tax and super-tax.

WHEREAS an emergency has arisen which makes it necessary temporarily to provide for the deduction at source of income-tax and super-tax under the provisions of section 18 of the Indian Income-tax Act, 1922; XI of 1922.

NOW THEREFORE, in exercise of the powers conferred by section 72 of the Government of India Act, the Governor General is pleased to make and promulgate the following Ordinance —

1. This Ordinance may be called the Indian Taxes on Income (Deduction at Source) Ordinance, 1935.
Short title.

2. For the period beginning on the first day of April, 1935, and ending as soon as an Act entitled *The Indian Finance Act, 1935*, shall have come into operation the rates applicable to the recovery of income-tax and super-tax required to be deducted under section 18 of the Indian Income-tax Act, 1922, shall be the rates specified in the Second Schedule to XI of 1922.
the Indian Finance Act, 1934, increased in each case, except in the case of IX of 1934. incomes of less than two thousand rupees, by one-sixth of the amount of the rate, and reduced, in the case of such incomes, by one-third of the amount of the rate.

WILLINGDON,

Viceroy and Governor General.

NEW DELHI;

The 1st April, 1935.

GOVERNMENT OF INDIA

LEGISLATIVE DEPARTMENT.

The following Act, which has been assented to by the Governor General under the provisions of clause (b) of sub-section (1) of section 67-B of the Government of India Act, and has been expressed to be made by the Governor General under the provisions of sub-section (2) of the same section, is hereby published for general information :—

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930; It is hereby enacted as follows :—

Short title and extent.

1. (1) This Act may be called the Indian Finance Act, 1935.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in

Fixation of salt duty.

Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma or Aden, be construed as if, for the year beginning on the 1st day of April, 1935, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

Amendments of the First and Second Schedules to Act of 1934.

3. (1) In the First Schedule to the Indian Tariff Act, 1934,—

in Items Nos 61 (2) and 62 (1) for the words "Five annas per ounce" in the fourth column the words "Two annas per ounce" shall be substituted.

(2) In the Second Schedule to the Indian Tariff Act, 1934, the heading "SKINS" together with Item No 3 under that heading shall be omitted.

4. For the year beginning on the 1st day of April, 1935, the Schedule contained in the First Schedule to this Act shall

Inland postage rates.

be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

5. (1) Income-tax for the year beginning on the 1st day of April, 1935,

Income-tax and super-tax.

shall be charged at the rates specified in Part I of the Second Schedule, increased in each case, except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part, by one-sixth of the amount of the rate.

XI of 1922. (2) The rates of super-tax for the year beginning on the 1st day of April, 1935, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule, increased in each case by one-sixth of the amount of the rate

XI of 1922. (3) For the purposes of the Second Schedule "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922

XI of 1922. (4) For the purpose of assessing and collecting income-tax on total incomes of less than two thousand rupees the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part III of the Second Schedule.

(5) For the purpose of any assessment to be made for the year ending 31st March, 1936, the rate of income-tax applicable to such part of the total income of any person as is derived from salaries or from interest on securities paid in the year ending 31st March, 1935, shall be the previous year's rate, and for the purposes of refunds under sub-section (1) or sub-section (3) of section 48 in respect of dividends declared in the year ending 31st March, 1935, or of payments made in the said year of salaries or of interest on securities, the rate applicable to the total income of the person claiming refund shall be the previous year's rate.

Explanation —In this sub-section the term "previous year's rate" with reference to any person means the rate of income-tax which would have been applicable to his total income if he had been assessed for the year ending 31st March, 1935, on a total income equal to that on which he is assessable for the year ending 31st March, 1936.

XVIII of
1930.

6. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, for the words "five annas" the words "two annas" shall be substituted.

Excise duty on silver.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[See section 4]

“ THE FIRST SCHEDULE.**INLAND POSTAGE RATES.**

[See section 7]

Letters

For a weight not exceeding half a tola	One anna.
For a weight exceeding half a tola but not exceeding two and a half tolas	One anna and three pies.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna and three pies.

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Book, Pattern and Sample Packets.

For the first five tolas or fraction thereof	Nine pies.
For every additional five tolas or fraction thereof in excess of five tolas	Six pies.

Registered Newspapers

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas.”

SCHEDULE II.

[See section 5]

PART I.*Rates of Income-tax.*

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—

(1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500

Rate

One and one-third pies in the rupee.

(2) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000	Two and two-thirds pies in the rupee. ‡
(3) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Six pies in the rupee.
(4) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Nine pies in the rupee.
(5) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000	One anna in the rupee
(6) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000	One anna and four pies in the rupee
(7) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna and seven pies in the rupee.
(8) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and eleven pies in the rupee.
(9) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000	Two annas and one pie in the rupee.
(10) When the total income is Rs. 1,00,000 or upwards	Two annas and two pies in the rupee.
B. In the case of every company and registered firm, whatever its total income	Two annas and two pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over thirty thousand rupees of total income—		Rate.
(1) in the case of every company—		
(a) in respect of the first twenty thousand rupees of such excess		<i>Nil.</i>
(b) for every rupee of the remainder of such excess		One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—		
(i) in respect of the first forty-five thousand rupees of such excess		<i>Nil.</i>
(ii) for every rupee of the next twenty-five thousand rupees of such excess		One anna and three pies in the rupee.
(b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—		
(i) for every rupee of the first twenty thousand rupees of such excess		Nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess		One anna and three pies in the rupee.

(c) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—

(i) for every rupee of the next fifty thousand rupees of such excess	One anna and nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas and three pies in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two annas and nine pies in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas and three pies in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three annas and nine pies in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas and three pies in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four annas and nine pies in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas and three pies in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five annas and nine pies in the rupee.
(x) for every rupee of the remainder of such excess	Six annas and three pies in the rupee.

PART III.

Adaptations of the Indian Income-tax Act, 1922, to provide for the summary assessments of income-tax on total incomes of less than Rs. 2,000.

1. The Income-tax Officer may, save where he has served a notice under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, make a summary assessment of the income of an assessee to the best of his judgment, and shall serve on the assessee a notice of demand in a form to be prescribed by the Central Board of Revenue; and such notice shall be deemed to be a notice of demand under section 29 of that Act.

2. Any assessee in respect of whom such summary assessment has been made, may, within thirty days of receipt of the notice of demand, make an application to the Income-tax Officer for the cancellation or revision of the assessment, and the Income-tax Officer shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Income-tax Officer may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final.

Provided that, if any assessee making such application files therewith a return of his income under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, the application shall be deemed to be a return under that sub-section and shall be dealt with accordingly.

3. A copy of an order under paragraph 2 shall be served on the assessee to whom it relates and shall be deemed to be a notice of demand under section 29 of the Indian Income-tax Act, 1922.

4 The above procedure shall apply also to the assessment and collection during the financial year 1935-36 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1934-35.

This Bill has been consented to by the Council of State.

M B DADABHOY,
President, Council of State.

The 16th April, 1935.

I assent to this Bill.

WILLINGDON,
Viceroy and Governor General.

The 22nd April, 1935.

This Act has been made by me as Governor General under the provisions of section 67-B of the Government of India Act.

WILLINGDON,
Viceroy and Governor General.

The 22nd April, 1935.

WHEREAS I, Freeman, Earl of Willingdon, am of opinion that a state of emergency exists which justifies the direction by me that the Indian Finance Act, 1935, being an Act made by me under the provisions of section 67-B of the Government of India Act, shall come into operation forthwith :

Now, THEREFORE, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

WILLINGDON,
Viceroy and Governor General.

The 22nd April, 1935.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Act of the Indian Legislature received the assent of the Governor General on the 21st April, 1935, and is hereby promulgated for general information.

ACT No. IV OF 1935.

An Act further to extend the operation of the Salt (Additional Import Duty) Act, 1931.

XIV of 1931. WHEREAS it is expedient further to extend the operation of the Salt (Additional Import Duty) Act, 1931 ; It is hereby enacted as follows :—

1. This Act may be called the Salt Additional Import Duty (Extending) Short title. Act, 1935.

XIV of 1931. 2. In sub-section (3) of section 1 of the Salt (Additional Import Duty) Act, 1931, for the figures " 1935 " the figures " 1936 " shall be substituted.

Amendment of section 1, Act
XIV of 1931.

No. 2217-B.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

Simla, the 2nd May 1935.

RESOLUTION.

The statements relating to the Revised Estimates for 1934-35 and the Budget Estimates for 1935-36 which were presented to the Legislative Assembly and the Council of State on the 28th February 1935 have been reconsidered with reference to the modifications made by the Legislative Assembly and the action taken thereon by the Governor General in Council. The changes made are explained below and the revised statements are now published * as usual for general information.

2. The following reductions were made by the Legislative Assembly in the demands presented to them :—

SUPPLEMENTARY DEMANDS FOR 1934-35.

	Rs.
16. Customs	11,01,000
59-A. Transfer to the Fund for the transfer of the Agricultural Research Institute from Pusa to Delhi	36,00,000

DEMANDS FOR 1935-36.

Railways.

	Rs.
1. Railway Board	8,24,999
3. Miscellaneous expenditure	10
6-A. Repairs and maintenance of Structural works	100
6-E. Expenses of Traffic Department	300

Civil.

18. Salt	100
32. Home Department	100
39. Army Department	4,30,999
79. Baluchistan	100

Of these, the Governor General in Council has, under Section 67-A (7) of the Government of India Act, declared that the supplementary demand for 1934-35 under "Customs" and the demands for 1935-36 under "Railway Board" and "Army Department" are essential to the discharge of his res-

* The Railway Budget Statements as finally adopted have been printed on pages 31-43 of Part I of this Volume.

possibilities. The remaining alterations result in a reduction of the revenue expenditure in 1934-35 by Rs. 36 lakhs and in 1935-36 by Rs. 710. The latter token cuts do not effect the revenue surplus as the estimates are in thousands of rupees. On the other hand, there will be an increase of Rs. 13 lakhs in the revenue expenditure during 1934-35 in view of the fact that the Legislative Assembly voted the Supplementary Demand No. 76-D relating to the transfer of revenue surplus of 1934-35 to the fund for the economic development and improvement of rural areas for Rs. 1,13 lakhs instead of Rs. 1,00 lakhs originally adopted in the Revised Estimate, 1934-35.

3. In accordance with the intentions of the Legislative Assembly, the Governor-General in Council has decided to debit to Capital, the cost of the removal of the Agricultural Research Institute from Pusa to Delhi. The credit of Rs. 36,00,000 in 1934-35 and the debits of Rs. 4,58,000 and Rs. 27,65,000 respectively in 1934-35 and 1935-36 under the deposit head "Transfer of the Agricultural Research Institute from Pusa" have therefore been eliminated. The estimated revenue surplus for the year 1934-35 now stands at Rs. 36 lakhs instead of Rs. 13 lakhs.

P. C. TALLENTS,

Secretary to the Government of India.

BUDGET

of the
Governor-General in Council,
May, 1935.

FINANCE DEPARTMENT ;
Simla, the 2nd May 1935.

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P. C. TALLENTS,
Secretary to the Govt. of India.

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I.—General Statement of the Revenue and Expenditure charged to

	For details, vide State- ment.	Accounts, 1933-34	Budget Estimate, 1934-35.	Revised Estimate, 1934-35	Budget Estimate, 1935-36.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	47,10,41,335	47,78,00,000	51,17,00,000	51,81,00,000
Taxes on Income	"	17,13,85,151	17,25,00,000	17,25,00,000	18,40,00,000
Salt	"	8,55,64,579	8,73,00,000	8,55,00,000	8,73,00,000
Opium	"	1,58,96,779	95,07,000	71,46,000	61,18,000
Other Heads	"	1,80,44,729	1,81,81,000	1,90,16,000	1,91,05,000
TOTAL PRINCIPAL HEADS .		78,54,32,653	78,50,88,000	79,58,62,000	79,49,21,000
Railways: Net Receipts (as per Rail- way Budget)	A	32,03,87,238	32,58,27,000	32,37,88,000	32,25,45,000
Irrigation: Net Receipts	"	8,799	3,000	15,000	14,000
Posts and Telegraphs: Net Receipts .	"	32,44,409	69,78,000	97,69,000	70,62,000
Interest Receipts	"	1,63,83,626	1,86,25,000	2,11,85,000	82,56,000
Civil Administration	"	76,21,910	73,28,000	81,26,000	93,75,000
Currency and Mint	"	1,33,41,216	1,27,02,000	1,29,18,000	1,07,01,000
Civil Works	"	26,93,048	23,88,000	23,88,000	23,30,000
Miscellaneous	"	78,95,428	58,37,000	74,16,000	58,68,000
Defence Services	"	5,32,61,929	5,30,47,000	5,23,32,000	4,92,77,000
Provincial Contributions and miscel- laneous adjustments between Central and Provincial Governments . . . .	"	...	...	...	...
Extraordinary Items	"	35,63,550	...	2,000	...
TOTAL REVENUE .		1,20,37,80,886	1,19,71,21,000	1,23,37,98,000	1,21,00,34,000
DEFICIT .		...	..	...	...
TOTAL .		1,20,37,80,886	1,19,71,21,000	1,23,37,98,000	1,21,00,34,000

Revenue of the Central Government, in India and in England.

	For details, vide State- ment.	Accounts, 1932-34	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenue	B	4,21,58,206	4,00,79,000	4,04,90,000	4,19,58,000
Forest and other Capital Outlay charged to Revenue	„	88,867	1,48,000	1,14,000	49,000
Railways Interest and Miscellaneous Charges (as per Railway Budget)	„	33,08,87,228	32,58,27,000	32,37,63,000	32,35,45,000
Irrigation	„	4,05,423	5,95,000	5,92,000	5,57,000
Posts and Telegraphs	„	69,11,568	68,32,000	67,45,000	66,46,000
Debt Services	„	12,28,56,924	13,33,55,000	13,28,48,000	13,39,13,000
Civil Administration	„	9,53,62,049	9,58,62,000	11,10,60,000	10,17,13,000
Currency and Mint	„	59,30,917	66,99,000	74,04,000	32,56,000
Civil Works	„	1,98,23,459	2,01,96,000	2,46,18,000	2,25,32,000
Miscellaneous	„	4,21,26,524	4,31,74,000	4,36,99,000	4,45,76,000
Defence Services	„	49,75,08,929	49,58,47,000	49,57,53,000	49,90,77,000
Miscellaneous adjustments between the Central and Provincial Govern- ments	„	1,00,00,000	2,52,44,000	2,94,90,000	3,04,94,000
Extraordinary Items	„	2,81,72,772	3,10,000	1,16,00,000	1,36,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,20,37,30,886	1,19,61,06,000	1,28,01,86,000	1,20,94,62,000
SURPLUS		---	10,15,000	36,00,000	5,82,000
TOTAL		1,20,37,30,886	1,19,71,21,000	1,28,37,86,000	1,21,00,34,000

	For details, vide State- ment.	RECEIPTS.			
		Accounts, 1933-34	Budget Estimate, 1934-35.	Revised Estimate, 1934-35.	Budget Estimate, 1935-36.
		Rs.	Rs.	Rs.	Rs.
Surplus	10,15,000	86,00,000	5,82,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)	C
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	"	3,77,71,000	...
Floating Debt (net incurred)	"
Unfunded Debt (net incurred)	"	22,81,07,211	17,65,38,000	15,91,25,000	18,08,58,000
Deposits and Advances (net)	"	.	5,69,48,000	...	18,22,34,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"			1,49,24,000	1,88,50,000
TOTAL DEBT, DEPOSITS AND ADVANCES.		22,81,07,211	23,34,86,000	21,18,20,000	38,19,40,000
Remittances (net)	C	62,94,471	3,14,000	2,88,000	5,91,000
Balances of Provincial Governments (net)	"	25,28,349
TOTAL RECEIPTS		23,69,25,031	23,48,15,000	21,57,03,000	38,81,13,000
Opening Balance { India		14,58,99,614	13,43,92,614	11,88,97,891	13,10,06,891
{ England		13,19,83,280	7,10,26,280	20,87,50,507	14,17,95,507
TOTAL		51,47,87,875	44,02,33,844	54,38,51,398	65,59,15,398

Central Government, in India and in England.

	For details, vide State-ment.	DISBURSEMENTS.			
		Accounts, 1933-34.	Budget Estimate, 1934-35.	Revised Estimate 1934-35.	Budget Estimate, 1935-36.
		Rs.	Rs.	Rs.	Rs.
Deficit					
Railway, Irrigation, Posts and Telegraphs and other Capital outlay not charged to Revenue—					
Capital outlay on Security Printing Press	C	—9,01,165	—1,15,000	—1,15,000	—1,04,000
Construction of State Railways (as per Railway Budget)	"	—2,05,44,729	4,68,00,000	1,50,00,000	5,50,00,000
Discharge of Debentures (as per Railway Budget)	"	23,95,841	...	39,93,000	...
Capital outlay on Posts and Telegraphs	"	5,38,292	39,79,000	34,50,000	55,07,000
Capital outlay on Vizagapatam Port	"	51,01,505	18,46,000	15,00,000	12,50,000
Capital outlay on Light-houses and Light-ships . . . . .	"	...	...	...	..
Currency Capital outlay	"	—4,14,277	—85,000	—49,000	4,99,14,000
Initial expenditure on New Capital at Delhi	"	9,09,579	67,67,000	75,60,000	52,45,000
Civil Works	"	1,77,312	..	.	...
Payment of commuted value of pensions	"	82,99,286	49,56,000	54,18,000	43,93,000
Outlay on Orissa and Sind . . . . .	"	...	...	...	20,00,000
Payments to Retrenched Personnel	"	2,94,343	—3,36,000	—1,11,000	—4,00,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS . . . . .	...	—41,44,013	6,38,03,000	3,66,46,000	12,28,05,000
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	4,90,80,068	12,44,30,000	...	25,42,31,000
Floating Debt (net discharged)	"	2,38,50,000	...	9,73,70,000	3,50,00,000
Deposits and Advances (net)	"	7,08,28,521	...	9,40,79,000	...
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"	2,56,38,761	35,22,000	...	..
TOTAL DEBT, DEPOSITS AND ADVANCES . . . . .	...	16,88,97,351	12,79,52,000	19,14,49,000	28,92,31,000
Loans and Advances by the Central Government (net Advances)	C	2,28,56,140	7,42,95,000	3,84,54,000	10,23,68,000
Remittances (net) . . . . .	"	...	..	..	..
Balances of Provincial Governments (net)	"	.	25,00,000	40,00,000	57,00,000
TOTAL DISBURSEMENTS . . . . .	...	18,71,09,477	26,91,50,000	27,05,49,000	52,01,04,000
Closing Balance { India . . . . .	...	11,88,97,591	10,39,61,614	13,10,06,891	12,61,34,891
England . . . . .	...	20,87,50,507	6,71,22,230	14,17,95,507	96,76,507
TOTAL . . . . .	...	51,47,57,576	44,02,38,844	54,32,51,498	65,59,15,398

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1933-34.				REVISED ESTIMATE,		
	India.	* England.	Exchange.	TOTAL.	India.	* England.	Item No
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs . . .	47,16,41,385	.	..	47,16,41,385	51,17,00,000	..	1
II.—Taxes on Income . . .	17,12,84,780	402	—1	17,12,85,181	17,25,00,000	...	2
III.—Salt . . .	8,85,64,578	...	..	8,85,64,579	8,55,00,000	.	3
IV.—Opium . . .	1,58,96,779	...	.	1,58,96,779	71,46,000	...	4
V.—Land Revenue . . .	17,60,084	.	...	17,60,084	21,30,000		5
VI.—Excise . . .	40,31,862	..	..	40,31,862	39,73,000	..	6
VII.—Stamps . . .	31,42,174	...	..	31,42,174	42,47,000	...	7
VIII.—Forest . . .	15,24,806		.	15,24,806	11,97,000	.	8
IX.—Registration . . .	1,00,952	.	.	1,00,952	1,03,000		9
X.—Payments from Indian States . . .	74,84,821	..	...	74,84,821	73,66,000	...	10
TOTAL .	76,54,32,252	402	—1	76,54,32,653	78,58,64,000	...	11
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts . . .	1,43,846			1,43,846	1,60,000	...	12
Deduct—Working Expenses . . .	1,41,739	...	...	1,41,739	1,49,000	...	13
Net Receipts .	2,107	..	..	2,107	11,000	..	14
XIV.—Works for which no Capital Accounts are kept . . .	4,213	477	2	4,692	4,000	...	15
TOTAL .	6,320	477	2	6,799	15,000	...	16
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts . . .	10,72,61,531	384	—1	10,72,61,864	11,05,35,000	...	17
Deduct—Working Expenses . . .	10,31,67,503	3,50,947	—1,085	10,40,17,365	9,99,32,000	3,35,000	18
Net Receipts .	40,94,028	—3,50,613	1,084	32,44,499	1,06,03,000	—3,35,000	19
Debt Services—							
XVI.—Interest . . .	1,05,17,063	57,77,522	11,979	1,63,82,626	41,00,000	1,71,15,000	20
Carried over .	78,00,49,683	49,37,768	—10,594	78,49,66,577	81,05,50,000	1,62,80,000	21

* Sterling converted into

Government, in India and in England.

1934-35.			Increase (+) Decrease (—) as compared with Budget, 1934-35	BUDGET ESTIMATE, 1935-36				Increase (+) Decrease (—) as compared with Revised, 1934-35.
Item No.	Exchange.	TOTAL.		India.	* England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	51,17,00,000	+3,41,00,000	51,84,00,000	..	..	51,84,00,000	+67,00,000
2	...	17,25,00,000	...	16,40,00,000	..	..	16,40,00,000	—85,00,000
3	...	8,55,00,000	—12,00,000	8,73,00,000	...	..	8,73,00,000	+18,00,000
4	...	71,46,000	—23,61,000	61,16,000	..	..	61,16,000	—10,30,000
5	...	21,30,000	+73,000	20,64,000	..	...	20,64,000	—66,000
6	...	39,73,000	—2,08,000	39,82,000	...	..	39,82,000	+9,000
7	...	42,47,000	+12,85,000	45,25,000	...	..	45,25,000	+2,78,000
8	..	11,97,000	—3,07,000	10,75,000	..	...	10,75,000	—1,22,000
9	...	1,08,000	..	99,000	...	...	99,000	—4,000
10	..	73,66,000	—7,000	73,80,000	...	...	73,80,000	—8,000
11	..	79,58,62,000	+3,07,74,000	79,49,21,000	...	..	79,49,21,000	—9,41,000
12	..	1,60,000	+8,000	1,54,000	...	..	1,54,000	—8,000
13	..	1,49,000	+7,000	1,44,000	...	..	1,44,000	+5,000
14	..	11,000	+15,000	10,000	..	...	10,000	—1,000
15	..	4,000	—3,000	4,000	...	...	4,000	...
16	..	16,000	+12,000	14,000	..	...	14,000	—1,000
17	..	11,05,35,000	+34,09,000	11,32,57,000	..	...	11,32,57,000	+27,22,000
18	—1,000	10,07,66,000	—5,18,000	10,54,00,000	8,05,000	...	10,62,05,000	—54,39,000
19	1,000	97,69,000	+27,91,000	78,57,000	—8,05,000	...	70,52,000	—27,17,000
20	—30,000	2,11,85,000	+25,60,000	37,12,000	45,44,000	..	82,56,000	—1,29,39,000
21	—29,000	82,68,31,000	+3,61,37,000	80,65,04,000	37,39,000	..	81,02,43,000	—1,65,88,000

Rupees at 21 = Rs. 13½.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1933-34.				REVISED ESTIMATE		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
Brought forward	Rs. 78,00,49,683	Rs. 49,27,788	Rs. —10,894	Rs. 78,49,66,577	Rs. 81,05,80,000	Rs. 1,62,80,000	
Civil Administration—							
XVII.—Administration of Justice	1,39,795	..	..	1,39,795	1,63,000	1,000	1
XVIII.—Jails and Convict Settlements.	2,68,226	..	..	2,68,226	2,44,000	...	2
XIX.—Police	7,77,036	1,06,667	—369	8,81,334	5,41,000	1,07,000	3
XX.—Ports and Pilotage	18,49,901	26	..	18,49,927	21,68,000	...	4
XX(1).—Light Houses and Light Ships	9,59,832	..	..	9,59,832	9,47,000	...	5
XXI.—Education	2,11,820	546	3	2,12,599	2,15,000	...	6
XXII.—Medical	1,79,497	22,226	—68	2,01,595	2,09,000	25,000	7
XXIII.—Public Health	1,94,894	126	..	1,94,020	2,17,000	...	8
XXIV.—Agriculture	8,84,427	..	..	8,84,427	8,97,000	..	9
XXV.—Industries	16,419	..	..	16,419	15,000	..	10
XXVI.—Miscellaneous Departments	10,81,002	53,021	—91	17,34,692	20,66,000	8,000	11
XXVI-A.—Indian Stores Department	9,79,714	..	..	9,79,714	3,09,000	...	12
TOTAL	74,89,228	1,88,812	—525	76,31,910	79,85,000	1,41,000	13
Currency and Mint—							
XXVII.—Currency	80,71,756	..	..	80,71,756	77,82,000	8,00,000	14
XXVIII.—Mint	52,69,460	..	..	52,69,460	4,37,000	..	15
TOTAL	1,83,41,216	..	..	1,83,41,216	1,21,19,000	8,00,000	16
Civil Works—							
XXX.—Civil Works	26,86,404	6,667	—78	26,93,048	28,66,000	22,000	17
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	10,93,404	1,91,332	—202	12,83,534	10,87,000	2,24,000	18
XXXIV.—Stationery and Printing	19,78,430	19,101	—15	19,92,516	23,10,000	18,000	19
XXXV.—Miscellaneous	41,15,808	5,04,776	—1,201	46,19,378	34,40,000	4,98,000	20
TOTAL	71,81,647	7,15,209	—1,418	78,95,428	67,37,000	6,50,000	21
Defence Receipts—							
XXXVI.—Defence Services—Effective.	2,69,10,420	2,16,86,206	—66,770	4,85,29,856	2,58,58,000	2,16,41,000	22
XXXVII.—Defence Services—Non-effective	7,30,466	40,15,127	—8,520	47,32,073	6,08,000	42,70,000	23
XXXVIII.—Transfers from Defence Reserve Fund	...	...	...	..	...	...	24
TOTAL	2,76,80,886	2,57,01,333	—70,290	5,32,61,929	2,64,66,000	2,59,11,000	25
Provincial Contributions and Miscellaneous Adjustments between Central and Provincial Governments—							
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	...	...	..	...	...	...	26
Extraordinary Items—							
XL.—Extraordinary Receipts	3,00,163	32,69,068	—5,666	35,63,565	...	2,000	27
XL-A.—Transfers from Revenue Reserve Fund	...	..	..	...	...	...	28
TOTAL	3,00,163	32,69,068	—5,666	35,63,565	...	2,000	29
Railway Revenues as per Railway Budget	88,54,83,746	—47,01,505	4,987	33,03,87,228	32,81,97,000	—44,21,000	30
TOTAL REVENUE	1,17,37,12,949	3,01,01,767	—88,829	1,20,37,30,886	1,19,44,50,000	8,94,15,000	31

* Sterling converted into

Government, in India and in England—*contd.*

1934-35.			BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (-) as compared with Revised, 1934-35.	
Item No.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1934-35.	INDIA.		ENGLAND.		Increase (+) Decrease (-) as compared with Revised, 1934-35.
	Rs. —29,000	Rs. 82,68,31,000	Rs. +3,61,37,000	Rs. 80,65,04,000	Rs. 37,39,000	Rs. ..	Rs. 81,02,43,000	Rs. —1,65,83,000
1	...	1,64,000	+17,000	1,61,000	...	...	1,61,000	—3,000
2	...	2,44,000	—35,000	2,44,000	...	...	2,44,000	...
3	...	6,48,000	—10,000	5,57,000	1,07,000	...	6,44,000	+16,000
4	...	21,68,000	+2,42,000	21,76,000	...	...	21,76,000	+8,000
5	...	9,47,000	+14,000	9,60,000	...	...	9,60,000	+13,000
6	...	2,15,000	+15,000	2,11,000	...	...	2,13,000	—2,000
7	...	2,34,000	+34,000	2,09,000	25,000	...	2,34,000	...
8	...	2,17,000	+29,000	2,24,000	...	...	2,23,000	+6,000
9	...	8,97,000	+11,000	9,07,000	...	...	9,07,000	+5,000
10	...	15,000	..	15,000	...	...	15,000	...
11	...	20,74,000	—62,000	20,36,000	7,000	...	20,43,000	—31,000
12	...	3,03,000	+43,000	14,40,000	...	...	14,40,000	+11,37,000
13	...	81,26,000	+2,68,000	81,36,000	1,39,000	...	82,75,000	+11,49,000
14	—1,000	65,81,000	—1,98,000	73,90,000	56,000	...	74,46,000	—11,35,000
15	...	48,37,000	+4,14,000	32,15,000	...	...	32,55,000	—10,82,000
16	—1,000	1,29,18,000	+2,16,000	1,06,45,000	56,000	...	1,07,01,000	—22,17,000
17	...	23,82,000	+2,000	23,30,000	10,000	...	23,30,000	—58,000
18	...	...	...	...	...	...	...	...
19	...	13,11,000	+3,000	12,31,000	1,97,000	...	14,28,000	+1,17,000
20	—1,000	22,28,000	+24,000	22,08,000	17,000	...	22,25,000	—3,000
21	—1,000	38,77,000	+17,52,000	16,10,000	4,00,000	...	20,10,000	—13,67,000
22	—1,000	74,14,000	+17,79,000	50,49,000	6,14,000	...	56,63,000	—17,53,000
23	—35,000	4,74,61,000	—2,39,000	2,35,56,000	2,11,53,000	...	4,47,09,000	—27,52,000
24	—7,000	48,71,000	+5,24,000	6,30,000	39,38,000	...	45,68,000	—3,03,000
25	...	...	...	...	...	...	...	...
26	—45,000	5,23,32,000	+3,65,000	4,41,86,000	2,50,91,000	...	4,92,77,000	—80,55,000
27	...	...	...	...	...	...	...	...
28	...	...	...	...	...	...	...	...
29	...	2,000	+2,000	...	...	...	...	—2,000
30	...	...	...	...	...	...	...	...
31	...	2,000	+2,000	...	...	...	...	—2,000
32	7,000	32,37,83,000	—90,44,000	32,67,32,000	—41,87,000	...	32,25,45,000	—12,38,000
33	—99,000	1,23,37,96,000	+3,66,75,000	1,18,45,73,000	2,54,62,000	...	1,21,00,84,000	—2,37,62,000

Rupees at £1 = Rs. 13½

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1933-34				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenue—						
1.—Customs	97,13,902	1,43,954	—176	98,56,680	1,07,51,000	1
2.—Taxes on Income	81,06,446	1,44,346	—80	82,46,572	84,40,000	2
3.—Salt	1,13,58,406	84,839	—74	1,14,73,373	1,18,06,000	3
4.—Opium	70,41,549	40,070	—40	70,81,619	86,66,000	4
5.—Land Revenue	5,61,397	800	—3	5,62,197	5,84,000	5
6.—Excise	15,11,523	13,582	—19	15,24,084	15,52,000	6
7.—Stamps	13,82,168	40,949	—38	14,23,079	17,64,000	7
8.—Forest	18,68,768	97,070	—115	19,65,723	17,78,000	8
9.—Registration	21,030	...	...	21,030	17,000	9
TOTAL	4,15,95,141	5,61,610	—545	4,21,56,206	5,99,69,000	10
Forest and other Capital Outlay charged to Revenue—						
8A.—Capital outlay on Salt Works	20,441	11,092	—38	31,495	1,00,000	11
8A.—Forest Capital outlay	55,509	1,597	—4	57,102	12,000	12
TOTAL	76,250	12,679	—42	88,887	1,12,000	13
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	2,57,436	...	...	2,57,436	2,55,000	14
15.—Other Revenue Expenditure	1,23,362	2,133	—2	1,25,493	3,09,000	15
TOTAL	3,80,798	2,133	—2	3,82,919	5,64,000	16
Irrigation, etc., Capital outlay charged to Revenue—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues	22,504	...	...	22,504	21,000	17
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt	84,38,093	...	...	84,38,093	83,88,000	18
Posts and Telegraphs Capital Outlay charged to Revenue—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department	4,78,475	...	...	4,78,475	3,57,000	19
Debt Services—						
19.—Interest on Ordinary Debt	20,50,00,181	19,68,20,424	—1,57,727	40,18,71,878	20,15,50,000	20
Deduct—Amount chargeable to—						
Railways	19,77,72,733	11,53,12,366	—1,40,965	31,29,44,634	19,34,13,000	21
Irrigation	2,57,436	...	...	2,57,436	2,55,000	22
Posts and Telegraphs	85,64,918	...	...	85,64,918	85,35,000	23
Provincial Loans Fund	8,07,54,955	...	...	8,07,54,955	7,97,00,000	24
Other heads	28,18,541	...	...	28,18,541	3,00,000	25
Remainder chargeable to Ordinary Debt	—8,49,67,703	8,15,16,858	—19,763	—34,67,906	—8,11,33,000	26
25.—Interest on other Obligations	9,57,41,117	5,79,682	—1,969	9,63,24,400	10,56,53,000	27
21.—Reduction or Avoidance of Debt	8,00,00,000	...	...	3,00,00,000	3,00,00,000	28
TOTAL	4,07,79,415	8,20,96,340	—18,731	12,28,56,424	5,45,36,000	29
Carried over	9,17,65,666	8,28,72,663	—19,320	17,44,19,008	10,39,41,000	30

* Sterling converted into—

of the Central Government, in India and in England.

ESTIMATE, 1934-35.				Increase (+) Decrease (-) as compared with Budget, 1934-35	BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (-) as compared with Revised, 1934-35
Item No.	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,80,000	-1,000	1,09,10,000	+8,53,000	1,13,34,000	1,87,000	..	1,14,94,000	+5,84,000
2	1,05,000	..	85,15,000	+42,000	90,37,000	1,35,000	..	91,57,000	+6,17,000
3	68,000	..	1,15,75,000	+67,000	1,17,54,000	34,000	..	1,17,88,000	+2,13,000
4	88,000	..	86,04,000	-6,24,000	85,33,000	42,000	..	85,85,000	-24,000
5	2,000	..	5,88,000	-1,000	6,03,000	1,000	..	6,04,000	+14,000
6	7,000	..	15,66,000	+2,000	16,71,000	17,000	..	16,88,000	+74,000
7	43,000	..	18,13,000	+3,67,000	19,10,000	30,000	..	19,40,000	+1,80,000
8	98,000	..	18,78,000	-3,14,000	16,47,000	98,000	..	17,35,000	-1,80,000
9	..	..	17,000	..	18,000	..	..	18,000	+1,000
10	5,22,000	-1,000	4,04,90,000	+4,11,000	4,14,37,000	5,21,000	..	4,19,58,000	+14,68,000
11	..	..	1,00,000	-19,000	82,000	..	..	93,000	-67,000
12	2,000	..	14,000	-13,000	13,000	3,000	..	16,000	+2,000
13	2,000	..	1,14,000	-82,000	46,000	3,000	..	49,000	-65,000
14	..	..	2,55,000	+5,000	2,60,000	..	..	2,60,000	+5,000
15	7,000	..	8,16,000	-8,000	2,71,000	7,000	..	2,78,000	-34,000
16	7,000	..	5,71,000	-8,000	5,31,000	7,000	..	5,38,000	-33,000
17	..	..	21,000	..	19,000	..	..	19,000	-2,000
18	..	..	88,88,000	-37,000	88,63,000	..	..	88,53,000	-35,000
19	..	..	3,57,000	-50,000	2,93,000	..	..	2,93,000	-64,000
20	19,07,03,000	-3,31,000	39,19,53,000	-57,85,000	19,53,83,000	18,85,03,000	..	38,39,45,000	-80,07,000
21	11,28,90,000	-1,26,000	30,61,07,000	+20,10,000	19,28,85,000	11,17,59,000	..	30,46,44,000	+14,63,000
22	..	..	2,85,000	-5,000	2,60,000	..	..	2,60,000	-3,000
23	..	..	85,35,000	+39,000	85,70,000	..	..	85,00,000	+35,000
24	..	..	7,97,00,000	+3,00,000	8,25,00,000	..	..	8,25,00,000	-28,00,000
25	..	..	8,00,000	+94,000	7,58,000	..	..	7,83,000	+12,000
26	7,78,13,000	-1,35,000	10,67,84,000	-35,47,000	8,95,50,000	7,68,03,000	..	11,27,47,000	-88,02,000
27	6,38,000	-1,000	3,00,00,000	+28,35,000	11,60,10,000	6,50,000	..	11,60,00,000	+1,03,72,000
28	..	..	3,00,00,000	..	3,00,00,000	..	..	3,00,00,000	..
29	7,64,40,000	-1,36,000	13,28,41,000	-5,12,000	5,64,80,000	7,74,50,000	..	10,39,13,000	+10,70,000
30	7,88,80,000	-1,37,000	18,27,54,000	-2,23,000	10,71,39,000	7,79,84,000	..	18,51,23,000	+23,39,000

Rupees at £1 = Rs. 13½.

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1933-34				REVISED	
	India.	* England.	Exchange.	TOTAL.	India	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	9,17,65,636	8,26,72,662	—19,320	17,44,19,008	10,39,41,000	
Civil Administration—						
22.—General Administration	1,07,09,072	46,60,934	—4,528	1,53,65,478	1,10,57,000	1
23.—Audit	95,40,569	2,65,052	—314	97,95,307	98,66,000	2
24.—Administration of Justice	7,33,867	24,692	—112	8,17,947	7,09,000	3
25.—Jails and Convict Settlements	21,87,509	47,076	—53	24,34,833	22,80,000	4
26.—Police	53,52,546	50,670	—93	54,34,423	51,30,000	5
27.—Ports and Pilotage	19,00,645	3,64,880	—308	22,65,119	19,65,000	6
27 (1).—Light Houses and Light Ships	9,10,067	2,663	—3	9,43,027	6,81,000	7
28.—Ecclesiastical	20,86,625	8,43,235	—924	29,31,936	21,04,000	8
29.—Political	1,36,72,981	9,72,207	—1,174	1,38,44,017	1,53,00,000	9
30-A.—Frontier Watch and Ward	2,14,97,091	1,25,461	—104	2,11,22,448	2,05,99,000	10
30.—Scientific Departments	60,25,703	6,04,189	—708	66,29,184	66,10,000	11
31.—Education	29,57,108	41,301	—25	29,98,284	30,16,000	12
32.—Medical	23,01,743	1,51,108	—168	23,12,695	23,56,000	13
33.—Public Health	17,68,765	1,64,669	—32	12,47,702	14,40,000	14
34.—Agriculture	27,52,227	86,958	—83	28,39,103	31,86,000	15
35.—Industries	1,51,369	11,975	—4	1,93,340	3,02,000	16
36.—Aviation	12,19,412	1,06,707	—294	13,25,865	1,06,44,000	17
37.—Miscellaneous Departments	16,63,113	1,55,566	—175	17,18,504	36,70,000	18
37-A.—Indian Stores Department	8,21,624	82,236	—63	9,04,797	7,25,000	19
TOTAL	8,65,52,430	58,18,769	—9,150	9,53,63,049	10,19,84,000	20
Currency and Mint—						
38.—Currency	44,60,563	16,495	—28	44,77,030	52,87,000	21
39.—Mint	13,86,393	67,579	—85	14,53,877	20,19,000	22
TOTAL	58,46,956	84,074	—113	59,40,917	73,06,000	23
Civil Works—						
41.—Civil Works	1,96,73,098	1,50,541	—180	1,98,23,459	2,45,14,000	24
Miscellaneous—						
43.—Famine—						
A.—Famine Relief	29,29,471	98,467	—118	30,27,830	29,78,000	25
44.—Territorial and Political Pensions	63,65,183	2,10,60,165	—24,448	2,94,29,900	1,00,79,000	26
45.—Superannuation Allowances and Pensions	31,88,280	2,22,250	—332	34,46,894	3,36,000	27
46.—Stationery and Printing	42,09,618	21,04,142	—1,733	63,66,228	99,75,000	28
47.—Miscellaneous						29
TOTAL	1,67,03,732	2,36,31,030	—26,820	4,28,07,943	4,00,16,000	30
Miscellaneous capital outlay charged to Revenue—						
48-A.—Commutation of pensions financed from Ordinary Revenue	—1,81,411			—1,81,418	3,25,000	31
Defence Services—						
49.—Defence Services—Effective	34,50,05,086	5,90,84,175	—40,131	40,40,50,180	34,43,20,000	32
49.—Defence Services—Non-effective	3,68,00,685	4,99,30,889	—43,746	8,64,87,878	3,67,45,000	33
50.—Transfers to Defence Reserve Fund	69,70,621			69,70,621	84,00,000	34
TOTAL	38,86,76,749	10,90,16,064	—83,877	49,76,08,939	38,45,63,000	35
Contributions and Miscellaneous Adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous Adjustments between the Central and Provincial Governments	1,00,00,000			1,00,00,000	2,94,90,000	36
Extraordinary Items—						
53.—Extraordinary Payments	2,73,16,826	3,56,248	—302	2,81,72,772	1,14,62,000	37
52-I.—Transfers to Revenue Reserve Fund						38
TOTAL	2,73,16,826	3,56,248	—302	2,81,72,772	1,14,62,000	39
Railway Expenditure as per Railway Budget	20,15,47,774	12,89,97,876	—1,58,422	33,03,87,228	19,83,01,000	40
TOTAL EXPENDITURE CHARGED TO REVENUE	85,08,61,806	35,37,27,264	—2,98,194	1,20,37,90,886	38,19,42,000	41

* Sterling converted into

of the Central Government, in India and in England—*contd.*

Item No.	ESTIMATE, 1934-35.			Increase (+) Decrease (-) as compared with Budget, 1934-35.	BUDGET ESTIMATE, 1935-36.				Increase (+) Decrease (-) as compared with Revised, 1934-35.
	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	7,89,80,000	-1,37,000	18,27,84,000	-2,23,000	10,71,39,000	7,79,84,000	...	18,51,23,000	+23,39,000
1	50,36,000	-9,000	1,80,84,000	+1,68,000	1,15,14,000	51,73,000	..	1,68,87,000	+6,03,000
2	2,85,000	-1,000	1,07,40,000	-97,000	1,05,01,000	2,93,000	...	1,07,83,000	+6,53,000
3	37,000	..	7,46,000	-59,000	7,51,000	49,000	...	8,00,000	+54,000
4	38,000	..	28,77,000	+80,000	23,04,000	45,000	...	23,49,000	+22,000
5	1,19,000	..	52,49,000	-41,000	51,98,000	1,14,000	...	51,12,000	+6,000
6	3,97,000	-1,000	22,91,000	-54,000	20,13,000	3,34,000	..	23,76,000	+8,000
7	16,000	..	9,47,000	+14,000	9,52,000	8,000	...	9,60,000	+13,000
8	7,90,000	-1,000	28,93,000	-41,000	29,30,000	8,25,000	...	30,55,000	+1,62,000
9	10,88,000	-2,000	1,68,96,000	+26,94,000	1,30,04,000	9,92,000	...	1,40,76,000	-22,19,000
10	1,13,000	..	2,19,12,000	+8,13,000	2,04,57,000	1,04,000	...	2,05,01,000	-4,51,000
11	5,77,000	-1,000	71,58,000	+1,05,000	67,20,000	6,67,000	...	78,87,000	+1,99,000
12	41,000	..	28,87,000	-28,000	29,90,000	52,000	...	30,50,000	+9,000
13	1,28,000	..	28,85,000	-19,000	22,91,000	1,31,000	...	24,22,000	-37,000
14	1,48,000	-1,000	15,81,000	-35,000	14,42,000	1,56,000	..	15,98,000	+17,000
15	90,000	..	8,27,000	+6,65,000	35,68,000	87,000	...	36,55,000	-3,77,000
16	21,000	..	8,53,000	+1,60,000	7,77,000	20,000	...	7,97,000	+4,14,000
17	49,000	..	1,06,94,000	+82,08,000	15,15,000	1,04,000	...	16,00,000	-6,74,000
18	1,38,000	..	36,08,000	+18,90,000	18,74,000	1,40,000	...	20,08,000	-17,85,000
19	80,000	..	8,06,000	+50,000	21,07,000	88,000	..	21,95,000	+18,90,000
20	90,92,000	-18,000	11,06,00,000	+1,51,96,000	9,00,23,000	88,90,000	..	10,17,13,000	-1,83,47,000
21	13,000	...	53,00,000	+1,54,000	15,36,000	25,000	...	15,61,000	-37,000
22	85,000	...	21,04,000	+6,10,000	16,08,000	87,000	...	16,95,000	-4,09,000
23	98,000	..	74,04,000	+7,65,000	31,44,000	1,12,000	..	32,56,000	-41,48,000
24	1,04,000	..	2,46,18,000	+44,22,000	2,04,11,000	1,21,000	..	2,25,32,000	-20,86,000
25	..	...	..	..	..	..	..	..	..
26	1,07,000	..	80,88,000	+38,000	29,16,000	1,14,000	..	30,30,000	-53,000
27	3,08,72,000	-36,000	3,10,15,000	+2,39,000	1,13,33,000	2,08,19,000	..	3,19,52,000	+9,37,000
28	3,00,000	-1,000	53,56,000	-2,45,000	32,49,000	4,98,000	...	36,47,000	+1,91,000
29	19,98,000	-3,000	69,21,000	+1,000	38,58,000	20,99,000	..	59,57,000	+38,000
30	2,38,98,000	-40,000	4,38,74,000	+30,000	2,13,56,000	4,41,30,000	..	4,44,86,000	+11,14,000
31	...	..	3,25,000	+4,05,000	90,000	..	..	90,000	-2,35,000
32	6,13,12,000	-1,08,000	40,55,32,000	-90,30,000	35,55,92,000	6,21,59,000	...	41,77,51,000	+1,23,19,000
33	5,00,70,000	-57,000	8,67,78,000	+4,58,000	3,66,27,000	5,03,61,000	..	8,69,85,000	+2,60,000
34	..	..	84,98,000	+84,73,000	56,60,000	..	..	56,62,000	-91,60,000
35	11,13,80,000	-1,83,000	49,57,58,000	-89,000	49,65,57,000	11,25,20,000	..	49,90,77,000	+33,19,000
36	..	..	2,94,90,000	+42,46,000	3,04,94,000	..	..	3,04,94,000	+10,04,000
37	1,18,000	...	1,16,00,000	+1,12,90,000	28,000	1,08,000	...	1,36,000	-1,14,64,000
38	..	..	..	..	..	..	..	..	..
39	1,15,000	..	1,16,00,000	+1,12,90,000	20,000	1,08,000	..	1,36,000	-1,14,64,000
40	12,57,01,000	-3,19,000	32,37,83,000	-20,44,000	18,81,15,000	12,44,30,000	..	32,25,45,000	-12,38,000
41	94,88,79,000	-6,05,000	1,23,01,96,000	+3,40,90,000	86,16,57,000	94,77,95,000	...	1,20,94,52,000	-2,07,44,000

Rupees at 21 = Rs. 13½.

C.—Statement of Receipts and Disbursements of the

RECEIPTS.	ACCOUNTS, 1933-34.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,17,37,12,948	3,01,01,767	1,20,38,14,715
Exchange	—83,829	...	—83,829
TOTAL	1,17,36,29,119	3,01,01,767	1,20,37,30,886
Railway Capital not charged to Revenue—			
As per Railway Budget . . . . .	...	.	...
Public Debt Incurred—			
Permanent Debt—			
<i>Sterling Debt—</i>			
6 per cent. Bonds . . . . .	...	1,72,388	
5½ per cent. Stock . . . . .	...	13,96,149	
5 per cent. Stock . . . . .	...	5,26,444	
4½ per cent. Stock . . . . .	...	22,49,304	
4 per cent. Stock 1948-53 . . . . .	...	15,60,92,699	
3½ per cent. Stock 1954-59 . . . . .	...	9,82,88,678	
<i>Rupee Debt—</i>			
New Rupee Loan	30,81,74,500	...	
3½ per cent. Loan 1947-50 . . . . .	...	...
3 per cent. Bonds 1941	2,74,800	...	
Other 3½ per cent. Loans . . . . .	...	...
TOTAL	30,84,49,800	25,87,25,612	56,71,74,912
Floating Debt—			
Treasury Bills—			
Issued to Public	1,12,13,00,000	...	
Issued to Paper Currency Reserve	1,63,96,90,000	...	
Temporary Loans	70,50,00,000	...	
TOTAL	3,46,59,90,000	...	3,46,59,90,000
Unfunded Debt—			
Deposits of Service Funds	8,52,773	17,74,094	
Post Office Cash Certificates	18,31,43,211	...	
Savings Bank Deposits	50,53,07,890	...	
TOTAL	68,93,03,874	17,74,094	64,10,77,468
Carried over	5,58,73,71,793	29,06,01,473	

*Sterling converted into

Central Government, in India and in England.

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,19,44,50,000 — 69,000	3,94,15,000 ...	1,23,38,65,000 — 69,000	1,18,45,72,000 ..	2,54,62,000 ...	1,21,00,34,000 ...
1,19,43,81,000	3,94,15,000	1,23,37,96,000	1,18,45,72,000	2,54,62,000	1,21,00,34,000
...
...
...	14,85,000	...	...	15,79,000	...
...	5,57,000	...	...	5,89,000	...
...	23,71,000	...	...	25,00,000	...
..	1,91,000	...	...	2,00,000	...
...	3,11,11,000	...	...	1,33,000	...
...	...	...	25,00,00,000	...	...
25,12,62,000	...	...	...	...	...
10,67,32,000	...	...	...	...	...
26,000	...	...	12,000	...	...
35,80,20,000	3,57,15,000	39,37,35,000	25,00,12,000	50,04,000	25,50,16,000
92,56,00,000 1,21,88,60,000 70,00,00,000	.. ... ...	} 2,00,00,00,000 30,00,00,000	2,00,00,00,000 30,00,00,000	... ... ..	2,30,00,00,000
2,84,44,60,000	..	2,84,44,60,000	2,30,00,00,000	...	2,30,00,00,000
8,45,000 10,46,00,000 50,13,08,000	18,90,000	60,86,48,000	8,21,000 12,25,00,000 51,98,91,000	19,58,000	64,51,70,000
60,67,53,000	18,90,000	60,86,48,000	4,32,12,000	19,58,000	64,51,70,000
5,00,36,14,000	7,70,20,000	4,37,77,96,000	4,37,77,96,000	3,24,24,000	

Rupees at £1 = Rs. 13½.

C.—Statement of Receipts and Disbursements of the

RECEIPTS— <i>contd.</i>	ACCOUNTS, 1933-34.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	5,58,73,71,793	29,06,01,473	
Deposits and Advances—			
Provincial Loans Fund	15,17,73,400	...	
Posts and Telegraphs Depreciation Fund	44,19,170	...	
Deposits of Local Funds—			
District Funds	15,81,89,629	...	
Other Funds	9,87,78,274	...	
Sinking Funds for Central Loans	1,96,01,413	...	
Other Appropriations for Reduction or Avoidance of Debt	1,22,29,000	..	
Sinking Fund Investment Account	2,86,05,842	...	
Sinking funds for Loans granted to Local Bodies	2,50,242	...	
Gold Standard Reserve . . . . .	...	1,30,62,83,294	
Paper Currency Reserve . . . . .	...	8,25,24,916	
Silver Redemption Reserve . . . . .	...	...
Deposits of Branch Line Companies	2,033	...	
Road Development Fund	1,08,51,583	..	
Post Office Cash Certificate Bonus Fund	67,04,185	..	
Fund for reconstruction of Earthquake damage	2,71,66,180	...	
Civil Aviation . . . . .	...	...
Economic development and improvement of rural areas . . . . .	...	...
Broadcasting . . . . .	...	...
Development in Tribal areas on N.-W. F. . . . .	...	...
Departmental and Judicial Deposits	85,51,77,727	...	
Advances	26,28,47,668	3,51,738	
Discount Sinking Fund	78,56,000	...	
Gain or loss on revaluation, sale, transfer, etc. of assets of Paper Currency Reserve . . . . .	...	...
Purchases and Sales of Silver . . . . .	...	...
Suspense	1,37,61,579	74,19,709	
Exchange on Remittance Account . . . . .	...	...
Miscellaneous	1,57,61,117	1,95,33,236	
Defence Reserve Fund	69,70,821	...	
TOTAL	1,68,07,45,863	1,41,61,12,893	3,09,68,58,756
Railway Depreciation and Reserve Funds as per Railway Budget	13,56,47,945	...	13,56,47,945
Carried over	7,40,37,65,601	1,70,67,14,366	

* Sterling converted into

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,00,36,14,000	7,70,20,000		4,37,77,96,000	3,24,24,000	
13,59,00,000	...		20,65,00,000	...	
9,70,000	...		28,73,000	...	
15,93,26,000	...		16,01,69,000	...	
9,81,90,000	...		9,80,88,000	...	
1,71,84,000	...		1,86,81,000	...	
1,67,29,000	...		1,63,29,000	...	
7,32,85,000	...		74,000	...	
...	
...	1,00,88,00,000		...	53,33,54,000	
...	59,86,87,000		...	13,11,92,000	
...	...		...	10,33,60,000	
4,85,000	...		75,000	...	
1,63,00,000	...		1,81,00,000	...	
74,00,000	...		...	...
...	
92,57,000	...		...	...
1,12,73,000	...		...	...
20,00,000	...		...	...
25,00,000	...		...	...
98,43,31,000	...		98,95,02,000	...	
36,42,64,000	58,000		37,99,59,000	58,000	
89,37,000	...		66,04,000	...	
42,32,000	...		80,17,000	...	
...	...		2,42,50,000	...	
3,86,65,000	2,12,000		11,50,99,000	8,42,08,000	
4,12,000	...		...	...
4,000	1,76,06,000		9,29,76,000	1,63,71,000	
34,98,000	...		...	...
1,95,54,42,000	1,62,53,43,000	3,58,07,85,000	2,07,72,97,000	91,91,41,000	2,99,64,38,000
13,73,00,000	..	13,73,00,000	13,28,00,000	...	13,28,00,000
7,09,63,56,000	1,70,23,63,000		6,58,78,93,000	95,15,65,000	

Rupees at £1=Rs. 13½.

C.—Statement of Receipts and Disbursements of the

RECEIPTS— <i>conold.</i>	ACCOUNTS, 1933-34.		
	India	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	7,40,37,65,601	1,70,67,14,366	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund .	1,32,09,828	...	
Other Loans and Advances .	1,72,86,43	..	
TOTAL	3,04,96,071	..	3,04,96,071
Remittances—			
I.—Remittances within India—			
Inland Money Orders	77,86,98,033	...	
Other Local Remittances	11,29,775	...	
Other Departmental Accounts . .	1,49,185	...	
Net Receipts by Civil Treasuries from—			
Railways	12,93,83,719	...	
Posts and Telegraphs	11,50,03,049	...	
Net Receipts from Civil Treasuries by—			
Defence Services	31,45,00,129	...	
II.—Remittances between England and India—			
Remittance Account—			
Iraq drawings . . . . .	...	78,14,000	
Sale of Silver . . . . .	...	5,21,40,717	
Other transactions	1,71,89,170	2,34,48,166	
Sterling purchased in India . . . .	...	60,21,06,643	
Sterling obtained in London . . . .	...	8,04,167	
Transfers through the Gold Standard Reserve	15,50,18,333	...	
Transfers through the Paper Currency Reserve	8,23,24,916	..	
TOTAL	1,59,35,93,309	68,53,14,693	2,27,89,08,002
Balances of Provincial Governments	3,43,72,715	...	3,43,72,715
TOTAL RECEIPTS	9,06,22,27,696	2,39,20,29,059	
Opening Balance	14,58,99,614	(a) 13,19,33,230	
GRAND TOTAL	9,20,81,27,310	2,52,39,62,289	

* Sterling converted into Rupees at £1 = Rs. 13½.

(a) Of this amount, £897 represents funds of the Gold Standard Reserve.

(b) Of this amount, £568 represents funds of the Gold Standard Reserve.

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,09,63,56,000	1,70,23,63,000		6,58,78,98,000	95,15,65,000	
1,73,40,000	...		77,04,000	...	
1,73,40,000	...	1,73,40,000	77,04,000	...	77,04,000
80,85,00,000	...		82,60,00,000	...	
20,54,000	...		21,73,000	...	
2,97,00,000	...		2,97,44,000	...	
14,14,63,000	...		11,18,00,000	...	
4,84,04,000	...		3,16,08,000	...	
31,60,09,000	...		32,69,27,000	...	
...	86,00,000		...	80,00,000	
...	3,86,87,000		...	4,00,00,000	
1,38,07,000	1,51,14,000		1,39,89,000	1,33,26,000	
...	52,00,00,000		...	34,69,20,000	
...	4,52,000		...	...
17,86,67,000	...		..	..
1,52,36,04,000	58,28,33,000	2,11,64,37,000	1,34,22,40,000	40,82,46,000	1,75,04,86,000
2,90,54,000	...	2,90,54,000	2,70,73,000	..	2,70,73,000
8,67,63,54,000	2,28,51,96,000		7,96,49,10,000	1,35,98,11,000	
11,88,97,891	(b) 20,87,50,507		13,10,06,891	(b) 14,17,95,507	
8,79,52,51,891	2,49,39,46,507		8,09,59,16,891	1,50,16,06,507	

C.—Statement of Receipts and Disbursements of the

DISBURSEMENTS.	ACCOUNTS, 1933-34.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	85,08,01,806	35,37,27,264	1,20,40,29,070
Exchange	—2,98,184	..	—2,98,184
TOTAL	85,00,03,622	35,37,27,264	1,20,37,30,886
Irrigation, Posts and Tele- graphs and other Capital Out- lay not charged to Revenue—			
SECURITY PRINTING PRESS	—9,01,165	...	—9,01,165
POSTS AND TELEGRAPHS	5,36,644	1,648	5,38,292
VIZAGAPATAM PORT	49,72,661	1,28,844	51,01,505
LIGHT-HOUSES AND LIGHT SHIPS	—1,603	1,603	...
CURRENCY	—4,14,277	...	—4,14,277
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	9,09,579	..	9,09,579
CIVIL WORKS	1,77,312	...	1,77,312
PAYMENT OF COMMUTED VALUE OF PENSIONS	82,99,286	...	82,99,286
OUTLAY ON ORISSA AND SIND . . . . .	..	..	..
PAYMENTS TO RETRENCHED PERSONNEL	2,94,343	..	2,94,343
TOTAL	1,88,72,780	1,32,095	1,40,04,875
RAILWAY CAPITAL NOT CHARGED TO REVENUE— As per Railway Budget	—3,07,63,294	1,26,14,406	—1,81,48,888
Public Debt Discharged—			
Permanent Debt—			
<i>Sterling Debt—</i>			
6 p. c. Bonds, 1935-37 . . . . .	...	...	...
Do. 1934-35 . . . . .	...	6,000	...
Do. 1933-34 . . . . .	...	13,27,93,333	...
Do. 1933-35 . . . . .	...	3,49,02,667	...
5½ p. c. Stock . . . . .	...	34,699	...
East Indian Railway Debenture Stock . . . . .	...	...	...
State Railway Annuities . . . . .	...	2,23,06,309	...
Do. do. Sinking Funds . . . . .	...	26,66,667	...
<i>Rupree Debt—</i>			
6½ p. c. Treasury Bonds, 1935	84,45,800	...	...
6 p. c. Bonds, 1933-36	8,72,56,800	...	...
Other 6 p. c. Bonds	9,48,500	...	...
5½ p. c. War Bonds,	98,975	...	...
5 p. c. Loan, 1929-47	3,97,11,773	...	...
5 p. c. Bonds, 1935	1,39,75,200	...	...
5 p. c. Bonds, 1933	4,20,77,000	...	...
4½ p. c. Bonds, 1934	12,97,54,800	...	...
4½ p. c. Holkar State Railway Loan	20,00,000	...	...
4 p. c. Loan, 1934-37 . . . . .	...	...	...
4 p. c. Conversion Loan, 1916-17	9,84,48,200	...	...
4 p. c. Terminable Loan	5,200	...	...
Other Loans	3,32,555	...	...
TOTAL	42,30,44,405	19,32,10,175	61,62,54,580
Carried over	1,25,61,57,913	55,96,83,940	

* Sterling converted into

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
88,19,22,000	34,88,79,000	1,23,08,01,000	86,16,57,000	34,77,95,000	1,20,94,52,000
—6,05,000	...	—6,05,000	...	...	...
88,13,17,000	34,88,79,000	1,23,01,96,000	86,16,57,000	34,77,95,000	1,20,94,52,000
—1,15,000	...	—1,15,000	—1,04,000	...	—1,04,000
34,46,000	4,000	34,50,000	55,07,000	...	55,07,000
13,95,000	1,05,000	15,00,000	12,00,000	50,000	12,50,000
—3,000	3,000	...	—6,000	6,000	...
—49,000	...	—49,000	4,99,14,000	...	4,99,14,000
75,42,000	18,000	75,60,000	52,45,000	...	52,45,000
...
54,18,000	...	54,18,000	43,93,000	...	43,93,000
...	...	...	20,00,000	...	20,00,000
—1,11,000	...	—1,11,000	—4,00,000	...	—4,00,000
1,75,23,000	1,30,000	1,76,53,000	6,77,49,000	56,000	6,78,05,000
—7,000	1,90,00,000	1,89,93,000	3,50,00,000	2,00,00,000	5,50,00,000
...	...	...	...	15,93,66,000	...
...	13,000	...	...	...	...
...	73,000	...	...	...	...
...	3,000	...	...	...	...
...	56,000	...	...	...	...
...	...	...	...	4,66,67,000	...
...	2,86,02,000	...	...	2,44,24,000	...
...	26,67,000	...	...	26,67,000	...
...	...	...	16,00,20,000	...	...
16,50,000	...	...	4,50,000	...	...
8,80,000	...	...	3,70,000	...	...
82,000	...	...	77,000	...	...
8,00,000	...	...	6,00,000	...	...
...	...	...	11,86,40,000	...	...
6,00,000	...	...	1,50,000	...	...
12,93,73,000	...	...	4,00,000	...	...
10,00,000	...	...	...	...	...
19,47,79,000	...	...	3,50,000	...	...
3,50,000	...	...	50,000	...	...
2,000	...	...	2,000	...	...
34,000	...	...	14,000	...	...
32,95,50,000	2,64,14,000	35,59,64,000	27,61,23,000	23,31,24,000	50,92,47,000
1,22,33,38,000	39,44,23,000	...	1,24,05,29,000	60,09,75,000	...

Rupees at 21 = Rs. 13½.

C.—Statement of Receipts and Disbursements of the

DISBURSEMENTS— <i>contd</i>	ACCOUNTS, 1933-34.		
	India.	England.	TOTAL
	Rs.	Rs.	£s.
Brought forward	1,25,61,57,918	55,96,83,940	---
Floating Debt—			
Treasury Bills—			
Issued to Public	1,04,91,25,000	...	
Issued to Paper Currency Reserve	1,73,52,15,000	...	
Temporary Loans	70,50,00,000	...	
TOTAL	3,48,93,40,000		3,48,93,40,000
Unfunded Debt—			
Special Loans	89,791	...	
Treasury Notes	12,20,975	2,21,587	
Deposits of Service Funds	5,24,70,485	...	
Post Office Cash Certificates	35,89,67,419	...	
Savings Bank Deposits			
TOTAL	41,27,48,670	2,21,587	41,29,70,257
Deposits and Advances—			
Provincial Loans Fund	15,20,35,783	...	
Posts and Telegraphs Depreciation Fund	10,59,978	...	
Deposits of Local Funds—			
District Funds	15,45,28,319	...	
Other Funds	9,90,51,468	...	
Sinking Funds for Central Loans	2,56,46,758	...	
Other Appropriations for Reduction or Avoidance of Debt	1,96,625	...	
Sinking Fund Investment Account	1,41,66,774	...	
Sinking Funds for loans granted to Local Bodies	...	...
Gold Standard Reserve	...	1,30,62,87,679	
Paper Currency Reserve	...	8,25,24,916	
Silver Redemption Reserve	...	...
Deposits of Branch Line Companies	1,55,565	...	
Road Development Fund	1,03,19,171	...	
Post Office Cash Certificate Bonus Fund	...	...
Fund for reconstruction of Earthquake damage	7,93,10 8	...	
Civil Aviation	...	...
Economic development and improvement of rural areas	...	...
Broadcasting	...	...
Development in Tribal areas on N. W. F.	...	...
Departmental and Judicial Deposits	85,20,09,767	...	
Advances	26,27,57,886	3,55,517	
Discount Sinking Fund	1,89,04,290	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of Paper Currency Reserve	9,17,77,808	...	
Purchases and Sales of Silver	...	...
Suspense	1,16,13,639	6,44,32,015	
Exchange on Remittance Account	...	...
Miscellaneous	12,911	1,90,62,300	
Defence Reserve Fund	...	...
TOTAL	1,69,50,24,850	1,47,26,62,427	3,16,76,87,277
Railway Depreciation and Reserve Funds as per Railway Budget	16,12,86,708	...	16,12,86,708
Carried over	7,01,45,58,139	2,03,25,67,954	

* Sterling converted into

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1934-35.			BUDGET ESTIMATE, 1935-36.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,22,88,83,000	89,44,23,000		1,24,05,29,000	60,09,75,000	
1,02,87,00,000			1,76,00,00,000	..	
1,20,31,80,000	..		27,50,00,000	..	
70,00,00,000	..		30,00,00,000	..	
2,94,18,80,000	...	2,94,18,80,000	2,33,50,00,000	...	2,33,50,00,000
17,000	...		17,000	...	
3,000	..		..	...
12,43,000	2,67,000		12,43,000	3,14,000	
7,67,83,000	..		9,50,00,000	...	
37,12,05,000	..		36,77,40,000	...	
44,92,51,000	2,67,000	44,95,18,000	46,40,00,000	3,14,000	46,43,14,000
13,56,00,000	...		20,58,00,000	...	
9,70,000	..		9,49,000	...	
15,98,76,000	...		16,02,66,000	...	
9,89,68,000	...		9,80,31,000	...	
...	
5,62,49,000	...		..	...
...	
...	1,00,88,00,000		...	53,33,62,000	
...	59,86,67,000		...	13,11,92,000	
...	...		...	10,39,60,000	
3,95,000	..		90,000	...	
1,04,00,000	..		1,30,00,000	...	
...	...		25,00,000	...	
82,97,000	..		89,37,000	...	
2,50,000	..		44,47,000	...	
...	..		25,00,000	...	
...	..		5,00,000	...	
...	..		10,00,000	...	
96,88,01,000	...		93,76,16,000	...	
35,74,56,000	70,000		38,43,74,000	63,000	
48,40,000	...		...	...
6,30,68,000	...		9,41,61,000	...	
...	...		81,00,000	..	
7,73,49,000	10,62,12,000		3,43,74,000	89,32,000	
4,12,000	...		...	..
...	1,81,84,000		80,17,000	1,63,71,000	
...	...		56,62,000	...	
1,94,29,31,000	1,73,19,33,000	3,67,48,64,000	1,97,03,24,000	84,38,80,000	2,81,42,04,000
12,23,76,000	...	12,23,76,000	11,39,50,000	...	11,39,50,000
6,68,47,71,000	2,12,66,23,000		6,12,38,03,000	1,44,51,69,000	

Rupees at 21 = Rs. 13½.

C.—Statement of Receipts and Disbursements of the

DISBURSEMENTS— <i>consolid.</i>	Accounts, 1933-34.		
	India.	England.	Total
	Rs.	Rs.	Rs.
Brought forward	7,01,45,58,139	2,03,25,67,954	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	3,36,85,000	...	
Other Loans and Advances	1,91,67,211	...	
TOTAL	5,28,52,211	..	5,28,52,211
Remittances—			
I.—Remittances within India—			
Inland Money Orders	77,78,31,297	...	
Other Local Remittances . . . . .	...	...
Other Departmental Accounts . . . . .	...	...
Net Payments into Civil Treasuries by—			
Railways	12,69,57,107	...	
Posts and Telegraphs	11,49,27,172	...	
Net Issues from Civil Treasuries to—			
Defence Services	31,30,41,769	...	
II.—Remittances between England and India—			
Remittance Account—			
Iraq drawings	78,14,000	...	
Sale of Silver	5,21,40,717	...	
Other transactions	2,61,96,178	1,32,56,213	
Sterling purchased in India	60,21,06,667	...	
Sterling obtained in London	8,04,167	...	
Transfers through the Gold Standard Reserve . . . . .	..	15,50,13,333	
Transfers through the Paper currency Reserve . . . . .	...	8,25,24,916	
TOTAL	2,02,18,19,069	25,07,94,462	2,27,26,13,531
Balances of Provincial Governments . . . . .	...	3,18,49,366	3,18,49,366
TOTAL DISBURSEMENTS	9,08,92,29,419	2,31,52,11,782	
Closing Balance	11,88,97,891	(b) 20,87,50,507	
GRAND TOTAL	9,20,81,27,310	2,52,39,62,289	

*Sterling converted into Rupees at £ 1 = Rs. 13½.

(b) Of this amount, £ 568 represents funds of the Gold Standard Reserve.

Central Government, in India and in England—*conold.*

REVISED ESTIMATE, 1934-35			BUDGET ESTIMATE, 1935-36.		
India.	England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
6,68,47,71,000	2,12,66,23,000		6,12,38,03,000	1,44,51,69,000	
4,00,00,000	...		10,25,00,000	...	
1,57,94,000	...		75,72,000	...	
5,57,94,000	...	5,57,94,000	11,00,72,000	...	11,00,72,000
80,34,00,000	...		82,57,00,000	...	
18,54,000	...		19,22,000	...	
2,97,17,000	...		2,97,04,000	...	
14,14,68,000	...		11,18,00,000	...	
4,84,04,000	...		3,16,08,000	...	
31,60,09,000	..		32,69,27,000	...	
86,00,000	.		80,00,000	...	
3,86,67,000	...		4,00,00,000	..	
1,51,14,000	1,38,07,000		1,33,26,000	1,39,88,000	
52,00,00,000	.		34,69,20,000	...	
4,52,000	...		..	.
.	
..	17,86,67,000		...		
1,92,36,80,000	19,24,74,000	2,11,61,54,000	1,73,59,07,000	1,39,88,000	1,74,98,95,000
	3,30,54,000	3,30,54,000	..	3,27,73,000	3,27,73,000
8,66,42,45,000	2,35,21,51,000		7,96,97,82,000	1,49,19,30,000	
13,10,06,891	(b) 14,17,95,507		12,61,34,891	96,76,507	
8,79,52,51,891	2,49,39,46,507		8,09,59,16,891	1,50,16,06,507	

*Sterling converted into Rupees at £ 1—Rs. 13½.

(b) of this amount, £ 568 represents funds of the Gold Standard Reserve.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England.

Revenue and Expenditure.	ACCOUNTS, 1933-34		REVISED ESTIMATE, 1934-35.		BUDGET ESTIMATE, 1935-36.	
	Net Receipts.	Net Charges	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	46,17,44,705	.	50,07,90,000	.	50,09,06,000	...
Taxes on Income	16,30,36,609	.	16,39,55,000	...	15,48,43,000	..
Salt	7,70,91,208	.	7,39,35,000	.	7,55,12,000	...
Opium	88,15,210	.	35,42,000	.	25,35,000	..
Other Heads	1,25,48,717	.	1,31,00,000	.	1,31,67,000	...
TOTAL	72,32,76,447	.	75,53,72,000	.	75,29,63,000	..
Forest and other Capital Outlay charged to Revenue						
	...	88,887	...	1,14,000	...	49,000
Irrigation . . . . .	..	3,98,624	..	5,77,000	...	5,43,000
Railways . . . . .	...	..	..	...	.	...
Posts and Telegraphs . . . . .	...	58,67,089	10,24,000	...	...	15,94,000
Debt Services . . . . .	...	10,65,74,298	...	11,16,58,000	..	12,58,57,000
Civil Administration . . . . .	...	8,77,40,139	.	10,29,34,000	...	9,24,38,000
Currency and Mint	74,10,299	...	55,14,000	..	74,45,000	..
Civil Works . . . . .	...	1,71,30,411	...	2,22,30,000	.	2,02,02,000
Miscellaneous . . . . .	...	3,42,31,098	..	3,62,83,000	...	3,89,13,000
Defence Services . . . . .	..	44,42,47,000	.	44,34,26,000	...	44,98,00,000
Provincial Contributions and Miscellaneous Adjustments between Central and Provincial Governments . . . . .	...	1,00,00,000	...	2,94,90,000	...	3,04,94,000
Extraordinary Items . . . . .	...	2,46,09,222	...	1,15,98,000	...	1,36,000
TOTAL	73,06,66,746	73,06,66,746	76,19,10,000	75,68,10,000	76,04,98,000	75,98,26,000

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concl'd.*

Revenue and Expenditure.	ACCOUNTS, 1933-34.		REVISED ESTIMATE, 1934-35.		BUDGET ESTIMATE, 1935-36.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus or deficit . . . . .	..	...	36,00,000	...	5,82,000	.
Capital Account—						
Capital outlay on Security Printing Press . . . . .	..	—9,01,165	...	—1,15,000	..	—1,04,000
Railway Capital not charged to Revenue . . . . .	..	—1,81,48,888	...	1,89,98,000	...	5,50,00,000
Capital outlay on Posts and Telegraphs . . . . .	...	5,88,292	...	34,50,000	...	55,07,000
Capital outlay on Vizagapatam Port . . . . .	...	51,01,505	...	15,00,000	...	12,50,000
Capital outlay on Light-houses and Light-ships . . . . .	...	.	...	..	...	...
Currency Capital outlay . . . . .	..	—4,14,277	..	—48,000	...	4,98,14,000
Initial expenditure on New Capital at Delhi . . . . .	..	9,08,579	.	75,60,000	..	52,45,000
Civil Works . . . . .	...	1,77,312	..	...	..	...
Payment of commuted value of pensions . . . . .	...	82,99,256	...	54,18,000	...	43,98,000
Payments to Retrenched Personnel . . . . .	..	2,94,343	..	—1,11,000	...	—4,00,000
Outlay on Orissa and Sind . . . . .	..	...	...	.	...	20,00,000
Debt, Deposits, Advances and Remittances—						
Permanent Debt . . . . .	...	4,90,80,068	3,77,71,000	.	.	25,42,31,000
Floating Debt . . . . .	..	2,33,50,000	..	9,73,70,000	..	3,50,00,000
Unfunded Debt	22,81,07,211	...	15,91,25,000	...	18,08,56,000	...
Deposits and Advances . . . . .	...	9,64,67,282	...	7,91,55,000	20,10,84,000	..
Loans and Advances by Central Government . . . . .	...	2,23,56,140	...	3,84,54,000	...	10,23,68,000
Remittances	62,94,471	..	2,83,000	..	5,91,000	..
Balances of Provincial Governments	25,23,349	.	...	40,00,000	..	57,00,000
Opening Balance	27,78,32,844		32,78,48,398	.	27,28,02,398	...
Closing Balance . . . . .	..	32,78,48,398	.	27,28,02,398	..	13,58,11,398
TOTAL	51,47,57,875	51,47,57,875	52,84,27,398	52,84,27,398	65,59,15,398	65,59,15,398

Explanatory Memorandum

by the

Financial Secretary.

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INTRODUCTORY.

(Unless otherwise stated, the amounts mentioned are in lakhs of rupees; and the expressions "last year", "current year" and "next year" stand for the financial years 1933-34, 1934-35 and 1935-36 respectively.)

REVENUE AND EXPENDITURE.

1. The following statement gives the revenue and expenditure of the Central Government since 1921-22. The sterling amounts are converted into rupees at the average of the daily rates for telegraphic transfers in Calcutta on London in each year. The rate of conversion has been assumed to be *ls. 6 1/32d.* in 1934-35 and as usual *ls. 6d.* in 1935-36.

Year.	(1) Revenue excluding transfer from Revenue Reserve Fund.	(2) Expenditure excluding transfer to Revenue Reserve Fund and provision for Reduction or Avoidance of Debt and items shown in (3)	(3) Transfer to Earthquake and other Funds and Special subventions to Provinces from jute export and match and sugar excise duties.	(4) Balance of (1) minus (2) minus (3).	(5) Provision for Reduction or Avoidance of Debt and Transfers to or from Revenue Reserve Fund.	(6) Final Surplus (+), Deficit (—)
1921-22 . . .	1,15,21	1,38,40	..	—23,19	4,46	—27,65
1922-23 . . .	1,21,41	1,31,88	..	—10,47	4,55	—15,02
1923-24 . . .	1,33,17	1,27,16	..	+6,01	3,62	+2,39
1924-25 . . .	1,38,04	1,28,58	..	+9,46	3,78	+5,68
1925-26 . . .	1,33,33	1,25,05	..	+8,28	4,97	+3,31
1926-27 . . .	1,31,70	1,23,77	..	+7,93	(a) 7,93	..
1927-28 . . .	1,25,04	1,22,22	..	+2,82	(b) 2,82	..
1928-29 . . .	1,28,24	1,23,88	..	+4,36	(c) 4,68	—32
1929-30 . . .	1,32,69	1,26,68	..	+6,01	5,74	+27
1930-31 . . .	1,24,60	1,30,04	..	—5,44	6,14	—11,58
1931-32 . . .	1,21,64	1,26,50	..	—4,86	6,89	—11,75
1932-33 . . .	1,26,40	1,18,01	..	+8,39	6,84	+1,55
1933-34 . . .	1,20,37	1,14,65	(d) 2,72	+3,00	3,00	..
1934-35 (Revised)	1,23,38	1,15,19	(e) 4,83	+3,36	3,00	+36
1935-36 (Budget)	1,21,00	1,15,91	(f) 2,03	+3,06	3,00	+6

(a) After adding 2,96 transferred to Revenue Reserve Fund.

(b) After deducting 2,22 transferred from Revenue Reserve Fund.

(c) After deducting 74 transferred from Revenue Reserve Fund.

(d) Amount transferred to the Earthquake Fund; 62 out of this was utilised for debt redemption.

(e) 1,69 transfer of Jute Export duty, 18 Match Excise duty for Burma, 5 for grants to provinces from Sugar Excise duty, and 2,91 for transfers mentioned in para. 8 below.

(f) 1,79 transfer of Jute duty, 18 Match Excise duty for Burma and 6 for grants to provinces from Sugar Excise duty.

2. In the figures above all receipts on revenue account are included in the total of revenue and all outlay in the total of expenditure, with the main exceptions that the working expenses of railways, irrigation works and posts and telegraphs, and the surplus profits paid to certain railway companies, are treated not as expenditure but as a deduction from revenue. The figures of gross revenue thus include the net receipts of railways and other commercial undertakings without any deduction on account of interest charges and also the total receipts under tax revenue without eliminating the cost of collection. Further, defence expenditure is shown gross, the defence receipts being included under revenue. To present a real picture of the revenue available for administrative purposes and the expenditure on such purposes, analytical tables of net revenue and expenditure of the Central Government are given below.

TABLE I.

Year	Tax revenue less cost of collection (a).	Other revenue net of Defence receipts.	Total net revenue.	Interest on Debt.	Reduction or Avoidance of Debt.	Defence expenditure net.	Transfer to Earthquake and other Funds and Special subventions to Provinces.	Other expenditure charged to revenue but omitting cost of collection of tax revenue.	Total expenditure charged to revenue.	Surplus + Deficit—.
1921-22	60,78	17,05	78,43	13,70	4,46	69,91	..	18,11	1,06,08	-27,65
1922-23	64,41	21,33	85,74	13,87	4,55	65,27	..	17,07	1,00,76	-16,02
1923-24	66,65	30,45	97,11	15,97	3,62	56,23	..	18,90	94,72	+2,39
1924-25	67,54	28,84	96,38	14,90	3,78	55,53	..	16,39	90,70	+5,68
1925-26	68,10	25,29	93,89	13,37	4,97	56,00	..	15,74	90,08	+3,31
1926-27	67,96	26,52	93,28	11,77	4,97	55,97	..	20,57	93,28	.. (b)
1927-28	68,12	17,43	85,55	10,57	5,04	54,79	..	15,15	85,55	.. (c)
1928-29	71,63	15,62	87,25	10,20	5,42	55,10	..	16,85	87,57	-32(d)
1929-30	71,74	19,46	91,20	10,85	5,71	55,10	..	19,24	90,93	+27
1930-31	66,54	13,60	80,14	11,28	6,14	54,50	..	20,00	91,72	-11,58
1931-32	69,52	7,77	77,29	12,83	6,89	51,76	..	17,56	89,04	-11,75
1932-33	76,74	6,10	82,84	11,61	6,84	46,74	..	16,10	81,29	+1,55
1933-34	69,66	5,77	75,43	9,29	3,00	44,42	(e) 2,72	16,00	75,43	
1934-35 (Revised)	73,28	5,76	79,04	10,28	3,00	44,34	(f) 4,83	16,23	78,68	+36
1935-36 (Budget)	73,07	4,21	77,28	10,39	3,00	44,98	(f) 2,03	16,82	77,22	+6

(a) Excludes share of additional revenue from import and excise duties on motor spirit payable to Road Development Fund.

(b) A surplus of 2,96 was transferred to Revenue Reserve Fund.

(c) A deficit of 2,22 was met by transfer from Revenue Reserve Fund.

(d) A deficit of 1,06 was met to the extent of 74 by transfer from Revenue Reserve Fund.

(e) Represents the amount transferred to the Earthquake Fund- 62 out of this was subsequently utilised for debt redemption.

(f) *Vide* notes (e) and (f) on the previous page.

3. The figures in the above table are further analysed in the five tables that follow :—

TABLE II.

Analysis of Revenue and Expenditure of the Central Government.

Year.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
		Tax Revenue.	Cost of collection.	Net Tax Revenue.	Net Revenue from Commercial Departments.	Opium (Receipts less expenditure).	Currency and Mint (Receipts less expenditure).	Interest Receipts.	Provincial Contributions.	Extraordinary Receipts.	Other Revenue.	Total Net Revenue.	Interest on Debt.	Reduction or Avoidance of Debt.	Transfer to Revenue Reserve Fund.	Extraordinary Payments.	Defence Expenditure (net).	Other Expenditure.	Net Capital Outlay of Commercial Departments (Fosts and Telegraphs and Irrigation) charged to Revenue.	Total Net Expenditure.	Surplus +, Deficit -.
1921-22	.	66,76	3,00	60,76	7,01	1,27	3,30	1,11	9,38	..	9,15	78,43	13,70	4,46	..	..	66,81	17,01	1,10	1,06,08	-27,95
1922-23	.	67,38	2,97	64,41	4,09	1,62	2,59	1,16	9,20	..	2,37	85,74	13,87	4,55	..	..	65,27	16,89	18	1,00,76	-15,02
1923-24	.	69,14	2,48	66,66	8,67	1,66	2,14	3,16	9,37	2,60	2,72	97,11	15,97	3,63	..	3,41	56,33	15,86	-37	94,72	+2,39
1924-25	.	70,34	2,70	67,64	7,11	1,44	3,28	3,41	9,20	2,54	1,66	96,38	14,90	3,79	..	1	55,63	(c)16,75	-37	90,70	+4,68
1925-26	.	71,06	2,96	68,10	5,78	2,04	3,94	4,22	6,20	68	2,48	93,39	13,87	4,97	..	26	56,00	(c)17,00	-1,52	93,06	+3,31
1926-27	.	70,83	2,87	67,96	6,09	3,33	3,39	4,09	5,17	60	2,65	93,28	11,77	4,97	..	4	55,97	(c)17,39	18	93,28	..
1927-28	.	71,13	3,01	68,13	5,92	3,07	1,90	3,63	..	14	2,78	86,55	10,67	5,04	-2,22	18	54,79	(c)16,09	20	85,55	-32
1928-29	.	(a)74,77	3,14	71,63	4,52	2,72	2,17	2,80	..	30	3,11	87,25	10,20	5,42	-74	1	55,10	(c)17,42	16	87,57	-32
1929-30	.	(a)74,99	3,26	71,74	5,24	2,55	2,00	4,40	..	1,89	3,38	91,20	10,85	5,74	..	16	55,10	19,11	13	90,98	+27
1930-31	.	(a)66,76	3,23	66,54	4,03	1,79	2,7	3,39	..	..	3,13	80,14	11,28	6,14	..	16	64,30	19,09	15	91,73	-11,63
1931-32	.	(a)72,68	3,06	69,62	1,00	1,28	1,03	3,41	..	21	2,85	77,29	12,63	6,89	..	3	61,76	18,03	-50	89,04	-11,75
1932-33	.	(a)79,91	3,17	76,74	45	6	1,65	1,88	..	..	2,94	82,64	11,91	6,84	..	16	46,74	15,89	5	81,39	+1,55
1933-34	.	(a)72,97	3,31	69,66	-56	58	74	1,63	..	86	2,72	75,43	9,29	3,00	..	(A)2,82	44,41	15,85	5	75,43	+38
1934-35 (Revised)	.	(a)76,78	3,50	73,28	8	86	55	3,12	..	..	2,65	79,04	10,28	3,00	..	(*)1,16	44,34	19,89	4	78,63	+8
1935-36 (Budget)	.	(a)76,78	3,66	73,07	15	25	74	83	..	..	2,57	77,28	10,39	3,00	..	2	44,93	18,80	3	77,32	+6

(a) Excludes share of additional revenue from import and excise duties on motor spirit payable to Road Development Fund.

(b) Includes 5,50 Freight tax.

(c) Includes bounties 63.

(d) " " 86.

(e) " " 80.

(f) " " 12.

(g) Includes bounties 4.

(h) Includes 2,72 transferred to the Earthquake fund, 62 of which was subsequently utilised for debt redemption.

(i) Includes 1,13 for economic development of rural areas.

TABLE III.
Analysis of Tax Revenue.

Year.	Revenue from Customs.	Cost of Collection.	Revenue from Taxes on Income.	Cost of Collection.	Revenue from Salt.	Cost of Collection.	Land Revenue.	Cost of Collection.	Revenue from Excise.	Cost of Collection.	Revenue from Stamps.	Cost of Collection.	Revenue from Registrations.	Cost of Collection.	Total gross Tax Revenue.	Transfers to Road Development Fund.	Tax revenue retained by Central Government.	Total Cost of Collection.	Total net Tax Revenue.
1921-22	34.41	66	21.89	22	6.34	1.56	33	15	54	3	25	37	2	1	63.78	..	63.78	3.00	60.78
1922-23	41.35	71	17.99	45	6.82	1.51	43	13	52	3	25	13	2	1	67.38	..	67.38	2.97	64.41
1923-24	39.70	71	18.23	63	10.01	1.36	43	11	48	2	28	—	1	..	69.14	..	69.14	2.48	66.66
1924-25	45.75	77	16.01	61	7.39	1.20	38	11	42	2	27	—	2	..	70.24	..	70.24	2.70	67.54
1925-26	47.78	82	15.86	59	6.33	1.25	38	12	42	11	27	7	2	..	71.06	..	71.06	2.96	68.10
1926-27	47.38	81	15.65	62	6.70	1.20	41	13	41	10	27	1	1	..	70.83	..	70.83	2.87	67.96
1927-28	48.22	85	15.06	66	6.63	1.27	41	11	52	12	27	..	2	..	71.13	..	71.13	3.01	68.12
1928-29	49.28	94	16.70	69	7.60	1.23	38	12	53	15	31	1	2	..	74.82	5	74.77	3.14	71.63
1929-30	51.28	97	16.71	72	6.76	1.27	38	11	55	17	27	1	2	..	75.97	98	74.99	3.25	71.74
1930-31	46.81	93	16.00	75	6.83	1.26	34	10	47	17	28	1	1	..	70.74	98	69.76	3.22	66.54
1931-32	46.44	90	17.49	74	8.58	1.16	34	9	51	16	23	1	1	..	73.60	1.02	72.58	3.06	69.52
1932-33	51.95	93	17.97	78	10.07	1.12	18	5	42	15	33	14	1	..	80.93	1.02	79.91	3.17	76.74
1933-34	47.16	99	17.13	82	8.86	1.15	18	6	40	15	31	14	1	..	74.05	1.08	72.97	3.31	69.66
1934-35 (Revised).	51.17	1.09	17.25	85	8.55	1.16	21	6	40	16	42	18	1	..	78.01	1.23	76.78	3.50	73.28
1935-36 (Budget).	51.84	1.15	16.40	92	8.73	1.18	21	6	40	16	45	19	1	..	78.04	1.31	76.73	3.66	73.07

EXPLANATORY MEMORANDUM : GENERAL BUDGET.

TABLE V.
Analysis of main heads of ' Other expenditure ' Column 18 in Table II.

Year.	Forest Expenditure.	Total Civil Administration.	Miscellaneous.						Civil Works.	Salt, Stamp and Forest Capital outlay charged to revenue.	Subventions to Provinces.	Total other Central expenditure.
			Marine.	Territorial, etc., Pensions.	Superannuation Allowances, etc.	Stationery and Printing.	Miscellaneous.	Total.				
1921-22	47	9,41	3	30	3,44	79	1,03	5,59	1,54	..	..	17,01
1922-23	39	9,94	1	29	3,61	62	68	5,21	1,35	..	..	16,89
1923-24	36	9,34	..	29	2,97	51	68	4,46	1,70	..	..	16,86
1924-25	31	10,13	..	31	2,86	35	53	4,35	1,78	18	..	16,75
1925-26	30	10,77	1	30	2,90	34	71	4,26	1,60	7	..	17,00
1926-27	32	11,14	1	31	2,62	31	71	3,96	1,90	7	..	17,89
1927-28	31	11,21	..	29	2,51	26	73	3,71	1,58	13	..	16,99
1928-29	33	11,44	..	28	2,45	56	88	4,41	1,55	4	..	17,42
1929-30	35	12,66	..	32	2,66	55	81	4,41	1,60	6	..	18,11
1930-31	36	13,34	..	32	2,56	55	74	4,24	1,65	4	..	19,69
1931-32	32	12,17	..	31	2,68	58	74	4,31	1,19	1	..	18,03
1932-33	23	9,69	..	31	2,74	35	72	4,12	1,75	3	96	16,89
1933-34	19	9,54	..	30	2,94	35	64	4,23	90	1	1,00	15,85
1934-35 (Revised)	19	(a) 11,11	..	31	3,10	34	59	4,34	(b) 1,23	1	2,95	19,86
1935-36 (Budget)	17	10,17	..	30	3,20	35	60	4,45	(b) 1,94	1	3,05	18,80

(a) Includes 25 for development of tribal areas, 20 for development of broadcasting and 93 for development of civil aviation.

(b) Includes 40 on account of special subvention to the Road Development Fund.

TABLE VI.
Analysis of the total expenditure on 'Civil Administration' in Table V.

Year.	General Administration.	Audit.	Administration of Justice.	Fails and Convict Settlements.	Police.	Ports and Pilotage.	Lighthouses and Light-ships.	Ecclesiastical.	Political.	Watch and Ward.	Scientific Departments.	Education.	Medical.	Public Health.	Agriculture.	Industries.	Civil Aviation.	Miscellaneous Departments.	Indian Stores Department.	Total.
1921-22	1,93	70	10	49	88	24	..	31	2,26	..	1,12	31	31	16	21	1	1	41	..	9,41
1922-23	2,04	75	11	41	89	23	..	30	3,04	..	91	31	32	16	21	..	..	26	..	9,94
1923-24	1,56	75	13	36	84	23	..	29	2,98	..	85	31	28	11	24	..	..	40	..	9,34
1924-25	1,54	78	12	36	94	25	..	31	3,16	..	76	32	26	17	31	61	..	24	..	10,13
1925-26	1,56	84	13	36	96	32	..	32	3,37	..	80	32	29	13	27	86	..	23	..	10,77
1926-27	1,66	85	15	37	93	35	..	32	3,32	..	85	38	30	17	27	82	..	11	..	11,14
1927-28	1,72	89	14	35	69	33	..	32	1,58	2,50	91	48	30	17	29	15	10	12	..	11,21
1928-29	1,88	97	15	35	74	29	..	32	1,58	2,54	93	45	31	19	30	7	5	13	..	11,44
1929-30	2,25	1,02	15	42	76	25	1,4	32	1,32	2,59	94	52	32	21	46	3	20	15	..	12,66
1930-31	2,13	1,03	15	48	93	26	12	32	1,96	2,78	93	62	32	19	48	3	23	29	..	13,34
1931-32	1,98	1,01	16	39	88	26	11	30	1,64	2,39	86	62	30	17	35	2	20	44	..	12,17
1932-33	1,53	94	9	25	55	22	10	29	1,45	2,18	67	35	22	13	30	2	10	20	..	9,89
1933-34	1,54	98	8	24	54	23	10	29	1,36	2,16	66	30	22	13	29	2	13	17	..	9,54
1934-35 (Revised)	1,61	1,01	7	23	52	23	10	29	1,63(a)	2,10	72	30	24	16	33	4	1,07(b)	38(c)	..	11,11
1935-36 (Budget)	1,67	1,08	8	23	53	24	10	31	1,41	2,06	74	30	24	16	36	8	16	20	..	10,17

(a) Includes 25 for development of tribal areas on the North-West Frontier.
 (b) " 93 " development of Civil Aviation.
 (c) " 20 " " Broadcasting.

ACCOUNTS, 1933-34.

4. The revised estimate for 1933-34 anticipated a surplus of 1,29 which it was proposed to transfer to the fund for reconstruction of earthquake damage. The actual surplus, however, amounted to 2,72, the betterness of 1,43 being made up as follows :—

Customs receipts	+29
Salt receipts	+31
Currency and Mint receipts	+10
Miscellaneous receipts.	+10
Direct demands on revenue	+6
Interest on ordinary debt	+35
Civil Administration	+5
Civil works—mainly appropriations to the Road Development Fund	+9
Other items	+8
	<hr/>
	+1,43
	<hr/>

5. The increase under customs receipts was anticipated late in the year, but it was set off against an anticipated drop under income-tax revenue especially owing to the earthquake. The anticipated drop under the latter head did not fortunately materialise.

Larger issues of salt in February in anticipation of an increase in the salt duty accounted for the betterness under salt receipts.

The betterness under interest on ordinary debt was due partly to the somewhat unusual number of holders of Government securities failing to draw their interest and partly to larger recoveries from commercial departments.

The whole of the surplus of 2,72 was transferred in the accounts of 1933-34 to the fund for reconstruction of earthquake damage. As explained in the Hon'ble the Finance Member's budget speech, it has now been decided to retain 2,10 in that fund and to utilise the balance of 62 for debt redemption.

REVISED ESTIMATE, 1934-35.

6. The revised estimate for the current year compares with the budget estimate as shown below :—

	Budget, 1934-35.	Revised, 1934-35.
Revenue	1,19,71	1,23,38
Expenditure	1,19,61	1,20,11
Surplus+	+10	+3,27

7. The important variations as compared with the budget estimate are as follows :—

	+Better —worse.	
	+	—
Customs	3,41	..
Salt . . . . .	..	18
Opium (net) . . . . .	..	17
Posts and Telegraphs (net)	28	..
Interest receipts	26	..
Miscellaneous receipts mainly gain from exchange	18	..
Subventions to jute growing Provinces from the jute export duty . . . . .	..	43
Other items		18
	4,13	96
Net betterness	3,17	

8. As explained in the Hon'ble the Finance Member's budget speech, out of the surplus of 3,27 in the current year, a special contribution of 40 will be made to the Government of India's reserve in the Road Development Fund and 2,51 will be set aside under special deposit heads for expenditure on the following objects :—

(a) Grants to Provinces for economic development and improvement of rural areas	1,13
(b) Development in tribal areas on the North-West Frontier	25
(c) Development of Broadcasting	20
(d) Development of Civil Aviation	93
Total	2,51

The remainder of the surplus amounting to 36 will go towards debt redemption.

Budget Estimate, 1935-36.

9. The budget estimate for next year compares with the revised estimate for the current year as shown below :—

	Revised, 1934-35.	Budget, 1935-36
Revenue	1,23,38	1,22,44
Expenditure	1,20,11	1,20,94
Surplus	+3,27	+1,50

10. The important variations are as follows :—

	+ Better — Worse.	
	+	—
Customs	75	..
Taxes on Income	51	.
Salt	18	..
Interest receipts . . . . .	..	1,29
Currency and Mint receipts . . . . .	..	22
Restoration of pay cut . . . . .	..	1,08
Civil Administration (expenditure) . . . . .	..	40
Other items . . . . .	..	22
Total	1,44	3,21
Net worseness	1,77	

11. As explained in the Hon'ble the Finance Member's budget speech, 1,44 out of the surplus will be utilised for reduction of taxation as shown below, leaving a nominal surplus of 6 :—

(a) Reduction of the rate of income-tax on incomes below Rs. 2,000 and reduction of the rate of surcharges	1,36
(b) Abolition of the export duty on raw skins	8
	1 44

12. The following tables show in detail the variations under the main heads of account and the position is further explained in the section-notes on certain heads of revenue and expenditure.

Revenue.

		1934-35.		1935-36.
		Budget.	Revised.	Budget.
Heads of Account.				
<i>Revenue.</i>				
Customs	{ Petrol tax for Road Fund	1,18	1,23	1,31
	{ Other items	46,58	49,94	50,53
Taxes on Income		17,25	17,25	16,40
Salt		8,73	8,55	8,73
Opium		95	71	61
Other principal heads of revenue		1,82	1,90	1,91
Irrigation : Receipts less working expenses . . . . .		..	..	..
Interest		1,86	2,12	33
Civil Administration		78	81	93
Civil Works		24	24	23
Currency and Mint		1,27	1,29	1,07
Miscellaneous		57	74	56
Extraordinary Receipts . . . . .		..	.	..
Provincial contributions and miscellaneous adjustments between Central and Provincial Governments . . . . .		..	..	..
Posts and Telegraphs : Receipts less working expenses		70	98	71
Railways : Receipts less working expenses		32,58	32,38	32,25
Defence Services		5,20	5,24	4,93
TOTAL		1,19,71	1,23,38	1,21,00

Expenditure.

	1934-35.		1935-36.
	Budget	Revised.	Budget.
Heads of Account.			
<i>Expenditure.</i>			
Customs	1,01	1,09	1,15
Taxes on Income	85	85	92
Salt	1,15	1,16	1,18
Opium	42	36	36
Other heads recording direct demands on the revenue	58	58	59
Irrigation : Interest and Miscellaneous charges	6	6	5
Civil Administration	9,59	11,11	10,17
Currency and Mint	66	74	32
Civil Works { Transfer to Road Fund	1,18	1,63	1,31
{ Other items	84	83	9 4
Superannuation Allowances and Pensions	3,08	3,10	3,20
Miscellaneous	1,25	1,24	1,25
Extraordinary payments	3	1,16	1
Posts and Telegraphs : Interest on Debt	84	84	84
Railways : Interest and Miscellaneous charges	32,58	32,38	32,25
Defence Services	49,58	49,58	49,91
Interest	10,34	10,28	10,39
Reduction or Avoidance of Debt	3,00	3,00	3,00
Miscellaneous adjustment, etc.	2,53	2,95	3,05
Capital expenditure financed from Revenue :			
Posts and Telegraphs	4	4	3
Other Works	2	1	1
Commutation of Pensions	—2	3	1
TOTAL	1,19,61	1,23,02	1,20,94
Surplus	+10	+36	+6

NOTES ON CERTAIN HEADS OF REVENUE AND EXPENDITURE.

CUSTOMS.

	Revenue (Receipts <i>less</i> Refunds).	Expenditure.	Net revenue.
1931-32	46,43·87	90 50	45,53 17
1932-33	51,95·17	92·94	51,02·23
1933-34	47,16 41	98·56	46,17·85
1934-35 { Budget	47,76 00	1,00·58	46,75·42
{ Revised	51,17 00	1,09·10	50,07·90
1935-36 Budget	51,84·00	1,14 94	50,69·06

13. The details are as follows :—

	Accounts, 1931-32.	Accounts, 1932-33.	Accounts, 1933-34.	1934-35.		Budget, 1935-36.
				Budget.	Revised.	
SEA CUSTOMS.						
IMPORTS.						
I.—Revenue duties.						
Ale, beer, porter, cider and other fermented liquors	31·55	35·41	34·21	36·12	34 50	35·50
Spirits and liqueurs	1,47·47	1,72·59	1,77 98	1,92·00	1,76·00	1,86·00
Wines	11·28	12·92	13 81	14·00	14 00	15·00
Spices	21·27	18·16	18·27	17·00	17·00	17·00
Tea	11·59	11·45	13 86	17 00	9·00	9·00
Tobacco	1,06·12	1,33·72	1,14·81	1,20·00	1,10·00	1,20·00
Kerosene oil	1,79·96	1,45·35	1,25·77	1,25·00	1,45·00	1,48·00
Motor Spirit	67·12	29·09	10·20	10·00	5·00	5·00
Oils, batching, fuel and lubricating.	31·26	34·30	39·59	38·00	42·00	45·00
Cotton, raw	23·10	55·92	30·38	45·00	32·00	35·00
Boots and shoes	11·53	27·81	24·28	33·00	18 00	19·00
Motor cars, cycles, scooters, omnibuses, chassis, vans, lorries and parts thereof	63·20	68·10	95·02	1,00·00	1,35 00	1,40·00

	Account ^s , 1931-32.	Account ^s , 1932-33	Accounts, 1933-34.	1934-35.		Budget 1935-36.
				Budget	Revised.	
SEA CUSTOMS—contd.						
IMPORTS—contd						
I.—Revenue duties—contd						
Electric lighting bulbs	7.41	18.06	15.92	18.00	16 00	16.00
Wireless reception instruments and apparatus	1 04	2.55	4.09	3 00	7 00	8 00
Dyes derived from coal tar and coal-tar derivatives	11 05	17.24	23.64	24 00	32 00	35.00
Machinery	60.84	1,27.86	1,50.86	1,18.00	1,45 00	1,50 00
Iron and Steel	39 49	35.59	39.31	45 00	42.00	45 00
Silver bullion, coin, sheets, plates and other manufactures	95.46	8.93	2 13	7.00	17 00	5.00
Tin, block	6.40	7.25	6 15	6.00	7 00	8.00
Metals, other than Iron and Steel, silver and block tin	62.54	92.10	75 86	70 50	90 00	95 00
Railway plant and rolling stock	13.20	7.88	9.81	10 00	11 00	12.00
Artificial silk yarn and thread	11.47	17.14	15.70	15.00	30.00	31 00
Yarns and textile fabrics, others	83.97	96.51	1,00.11	85.00	1,65.00	1,65.00
Cinematograph films	7.63	9.48	12.81	12.00	14.00	15 00
Portland cement excluding white Portland cement	10.43	11.51	10.16	11.00	10.00	10.00
Pneumatic rubber tyres and tubes	34.12	37.57	32.52	34.00	35.00	45 00
Toys, games and sports goods	16.03	23.69	25 37	27.00	24.00	24.00
Betelnuts	59.40	57.54	56.54	58.00	45.00	45.00
All other articles	8,60.14	9,57.73	8,98.13	9,39.88	9,70.00	10,00.00
II—Protective duties						
Sugar	8,00 07	6,84.79	4,72.04	2,05.00	3,75 00	1,75 00
Heavy Chemicals	2.65	4.48	.16	.15	.20	.20
Iron and Steel	1,17.53	1,10.37	85.05	71.00	80 00	90 00
Silver wire, thread and other manufactures	6.25	8.33	5.72	5.00	5.00	5.00
Paper and Stationery	21.12	21.71	24.24	26.00	21.00	21.00
Raw Silk	15.92	28.15	17.90	20.00	30.00	30.00
Silk yarn and thread	11.42	21.55	12.03	22.00	20 00	20.00
Cotton yarn and thread	37.22	54.87	40.17	45.00	28 00	30.00
Cotton fabrics of British manufacture	1,80.16	3,00.48	2,10.42	2,10.00	2,75.00	2,80.00
Cotton fabrics not of British manufacture	1,90.72	3,52.16	2,50.44	2,15.00	2,40.00	2,45.00

	Accounts, 1931-32	Accounts, 1932-33	Accounts, 1933-34	1934-35		Budget, 1935-36.
				Budget	Revised	
SEA CUSTOMS— <i>contd.</i>						
IMPORTS— <i>contd.</i>						
II— <i>Protective duties—contd</i>						
Silk fabrics	1,07 49	2,55 25	1,28 18	1,20 00	85 00	85 00
Cotton homery	12 47	17 95	20 87	40 00	30 00	30 00
Artificial silk fabrics			68 23	70 00	1,06 00	1,06 00
Fabrics of artificial silk mixed with other materials	17 58	47 64	44 78	42 00	27 00	27 00
Other textile manufactures				17 00	48 00	48 00
Matches, match splints and veneers	1 08	41	30	25	30	30
Wood pulp	19	8 80	11 49	12 00	11 00	11 00
TOTAL IMPORTS	36,07 89	41,90 39	35,68 36	33,48 90	37,79 00	36,76 00
SEA CUSTOMS—EXPORTS						
Skins, raw	20 23	14 07	18 82	15 00	8 00	..
Jute—						
Raw	3,10 01	3,07 47	3,46 67	3,80 00	3,40 00	3,60 00
Manufactured						
Rice	85 28	75 75	69 36	75 00	55 00	55 00
TOTAL EXPORTS	4,25 52	3,97 29	4,34 85	4,70 00	4,03 00	4,15 00
Sea Customs—Miscellaneous	7 38	6 96	8 03	8 00	9 00	9 00
Land Customs	1,07 55	61 62	1,15 82	35 00	40 00	40 00
Excise Duty on Motor Spirit	3,47 61	3,98 69	4,42 79	4,70 00	5,00 00	5,33 00
Excise Duty on Kerosene	2,48 43	2,76 52	2,80 68	2,95 00	2,88 00	2,95 00
Excise Duty on Silver	22 93	76		03		..
Excise Duty on Sugar—						
Sugar other than Khandasari and Palmyra . . . . .	..	.	.	1,17 00	1,05 00	1,35 00
Khandasari Sugar					10 00	15 00
Palmyra Sugar . . . . .					...	...
Excise Duty on Matches . . . . .	...	..	.	1,38 00	1,15 00	1,80 00
Excise Duty on Steel Ingots . . . . .	.	...	...	..	13 00	31 00

	Accounts, 1931-32.	Accounts, 1932-33.	Accounts, 1933-34	1934-35.		Budget 1935-36.
				Budget.	Revised.	
SEA CUSTOMS—<i>conold.</i>						
Warehouse and wharf rents	4.46	4.39	4.62	3.97	5.00	5.00
Miscellaneous						
TOTAL GROSS REVENUE	47,71.77	53,31.62	48,55.15	49,15.90	52,67.00	53,34.00
<i>Deduct—Refunds</i>	1,28.10	1,36.45	1,38.74	1,39.90	1,50.00	1,50.00
NET TOTAL REVENUE	46,43.67	51,95.17	47,16.41	47,76.00	51,17.00	51,84.00
EXPENDITURE						
India	88.10	91.31	97.13	98.95	1,07.51	1,13.34
England	2.39	1.64	1.44	1.63	1.60	1.60
Exchange . . . . .	.01	— 01	— .01	.	— 01	..
Total	90.50	92.94	98.56	1,00.58	1,09.10	1,14.94

14 The revised estimate of net customs revenue (*i.e.*, gross revenue less refunds) is 3,41 more than the budget for the year. The betterness is the result of the following variations :—

	Revised better + worse — than original budget.
(1) Import duties—	
Revenue duties—	
Motor cars, cycles etc.	+35
Machinery	+27
Yarns and textile fabrics	+80
All other articles	+30
Protective duties—	
Sugar	+1,70
Cotton fabrics	+90
Silk fabrics	—35
Artificial Silk fabrics	+36
Other textile manufactures	+31
(2) Export duties—	
Jute	—40
Rice	—20
(3) Excise and import duties on motor spirit and kerosene	+38
(4) Excise duty on Sugar	—32
(5) Excise duty on Matches	—23
(6) Other items	—36
(7) Refunds of duties	—10
Total	+3,41

15. The budget estimate of revenue for next year exceeds the current year's revised by 67 which is made up as follows :—

	+ better. —worse.
(1) Import duties—	
<i>Revenue duties—</i>	
All other articles	+30
<i>Protective duties—</i>	
Sugar	—2,00
(2) Export duties—	
Jute	+20
Skins	—8
(3) Excise and import duties on motor spirit and kerosene .	+43
(4) Excise duty on sugar	+35
(5) Excise duty on matches	+65
(6) Other items	+82
Total	+67

16. The increase in expenditure in the revised estimate for the current year and the budget estimate for next year is mainly due to :—

- (a) cost of collection of sugar and match excise duties,
- (b) cost of manufacture of banderols for matches,
- (c) additional establishments sanctioned to prevent loss of revenue, and
- (d) restoration of the pay cut.

TAXES ON INCOME.

	Revenue. (Receipts less re- funds and Pro- vincial Govern- ments' share of Income-tax revenue.)	Expenditure.	Net revenue.
1931-32	17,48.73	73.84	16,74.89
1932-33	17,97.40	77.59	17,19.81
1933-34	17,12.85	82.48	16,30.37
1934-35 { Budget	17,25.00	85.03	16,39.97
{ Revised	17,25.00	85.45	16,39.55
1935-36 Budget	16,40.00	91.57	15,48.43

17. The decrease of 85 in the estimate of revenue for next year as compared with the current year's revised is made up as follows :—

(a) Improvement due to better trade conditions this year than in 1933-34	+35
(b) Additional revenue due to the restoration of pay cut	+16
(c) Loss of revenue due to reduction in the rates of the tax on incomes below Rs. 2,000 and in the rate of sur-charges	—1,36
Net	—85

18. The increase in the budget estimate of expenditure for next year is mainly due to increments, restoration of the pay cut and additional establishments.

19. The following tables give the usual details :—

	Accounts, 1931-32.	Accounts, 1932-33.	Accounts, 1933-34.	1934-35.		Budget, 1935-36.
				Budget.	Revised.	
REVENUE.						
EXCESS PROFITS DUTY.						
1. Bengal	·01	·01	·01	·01	·01	·01
SUPER-TAX.						
1. India	2·76	4·37	3·02	3·06	3 49	3·30
2. Baluchistan	·16	...	·08	·07	·09	·09
3. Madras	15·69	13·12	16·04	13·80	13·87	12·85
4. Bombay	91·03	88·59	80·51	86·00	86·00	83 00
5. Bengal	1,72·06	1,41·12	1,03·08	1,16·50	1,25·70	1,21·50
6. United Provinces	18·83	16·11	22·27	21·00	24·80	22·30
7. Punjab	4·99	5·23	6·30	4·32	6·40	6·30
8. Burma	49·14	40·10	15 88	32·00	30·27	28 04
9. Bihar and Orissa	13·31	11·96	9 53	12·00	12·00	11·00
10. Central Provinces	2·93	1·32	1·35	3·50	3 75	3·50
11. North-West Frontier Province	·63	·64	·64	44	·41	·40
12. Assam	1·84	1·29	2·53	2·24	3 00	3 23
TOTAL	3,73·37	3,23·85	2,61·23	2,94·93	3,09·78	2,95·51
INCOME-TAX.						
1. India General—						
Civil	98·23	1,10·69	1,18·94	96·64	1,23 15	1,14·48
Non-Civil Departments	94·06	1,01·58	1,10·62	1,13·50	1,14·00	1,17 75
2. Baluchistan	2·14	2·01	2 41	2·33	2 60	2 60
3. Madras	1,63·23	1,79·44	1,84·94	1,75·23	1,78·51	1,70·61
4. Bombay	3,77·08	4,33·37	4,52·37	4,36·95	4,48·97	4,15·95
5. Bengal	3,42·45	3,42·78	3,16·01	3,15·00	3,15·17	3,14·74
6. United Provinces	94·45	1,06·21	1,06·15	1,03·75	1,07 75	1,00·75
7. Punjab	75·28	87·39	90 16	82·45	84·50	79·00
8. Burma	1,56·59	1,43·46	1,32·25	1,31·97	1,22·12	99·77
9. Bihar and Orissa	56·84	60·02	56·55	72·80	61·34	50·12
10. Central Provinces	45·66	41·66	37·99	43·50	40·70	37·18
11. North-West Frontier Province	11·42	11·81	11·51	12·16	11·67	11·57
12. Assam	20·19	20·63	22·16	23·21	24·10	23·78
13. Coorg	·29	·33	·33	·30	·29	·30
TOTAL	15,37·91	16,41·38	16,42·39	16,0·71	16,34·87	15,38·60

	Accounts, 1931-32.	Accounts, 1932-33	Accounts, 1933-34.	1934-35.		Budget, 1935-36.
				Budget	Revised.	
REVENUE—contd.						
MISCELLANEOUS						
1 India	'01	.		..		..
2 Baluchistan . . . . .	..	..		..		.
3 Madras	'03	'03	01	'03	'07	'07
4. Bombay	'07	'01	01	'05	03	05
5 Bengal	01	..	.	'02	02	02
6. United Provinces	'16	'21	16	'25	'25	'25
7. Punjab	09	'05	02	'04	04	04
8. Burma	'25	'25	'11	'02	13	'02
9. Bihar and Orissa	'02	'05	'04	'05	03	03
10. Central Provinces	'04	'04	'01	'05	05	'05
11. North-West Frontier Province .	.	..	.	'06		.
TOTAL .	63	'64	'36	'57	'62	'53
Total Receipts from Taxes on Income	19,11'97	19,65'88	19,03'99	19,05'30	19,45 23	18,34'65
Deduct—Refunds	1,55 02	1,65'57	1,33 10	1,77'00	2,13 74	1,89'80
Deduct—Shares of Provincial Governments in income-tax revenue under the Devolution Rules .	8 22	2'91	3'04	3'30	6 54	4 85
Net Total Revenue of the Central Government	17,48'73	17,97'40	17,12 85	17,25 00	17,25 00	16,40 00
EXPENDITURE						
India	72'88	76'91	81 06	84'25	84'40	90'22
England	'95	'68	1'42	'78	1 05	1 35
Exchange	'01	..	..	..	..	..
TOTAL .	73'84	77'59	82'48	85'03	85 45	91'57
Distributed as follows :—						
Payments to Provincial Govern-ments	'25	'25	'24	27	'23	24
Direct expenditure of Central Government	73'59	77'34	82'24	84'76	85'22	91'33

20. Figures of Income-tax revenue payable to Provincial Governments are shown below :—

—	Accounts, 1931-32.	Accounts, 1932-33.	Accounts, 1933-34.	1934-35		Budget. 1935-36.
				Budget.	Revised.	
Madras . . .	..	..	..	..	..	..
United Provinces	..	..	..	..	1.50	..
Punjab . . .	..	..	..	.	1.52	1.10
Burma . . .	3.59	..	..	..	..	..
Bihar and Orissa	2.13	1.22	1.32	1.25	1.32	1.25
Central Provinces	.08	..	.	..	..	..
Assam . . .	2.42	1.69	1.72	2.05	2.20	2.50
TOTAL .	8.22	2.91	3.04	3.30	6.54	4.85

SALT.

		Revenue (Receipts <i>less</i> Refunds and Provin- cial Share).	Expenditure (including Capital Expenditure charged to Revenue).	Net Revenue.
1931-32 . . .	.	8,57.92	1,15.71	7,42.21
1932-33 . . .	.	10,07.36	1,13.43	8,93.93
1933-34 . . .	.	8,85.65	1,15.05	7,70.60
1934-35	{ Budget . . .	8,73.00	1,16.27	7,56.73
	{ Revised . . .	8,55.00	1,16.75	7,38.25
1935-36 Budget . . .	.	8,73.00	1,18.21	7,54.79

21. The relevant details are given below :—

	Accounts, 1931-32.	Accounts, 1932-33.	Accounts, 1933-34.	1934-35.		Budget. 1935-36.
				Budget.	Revised.	
REVENUE						
Northern India (a)	1,84·84	2,32·38	2,32 88	2,51·19	2,32·37	2,38·73
Madras(a)	1,81 85	2,04·19	1,88·55	1,75·48	1,76·05	1,75·65
Bombay (a)	2,08 56	2,14·08	1,89 14	1,80·92	1,88·07	1,92·57
Bengal(b)	2,61·51	2,92·71	2,52 90	2,45·05	2,38 00	2,42·51
Burma (b)	41 32	45·10	42 44	43·53	39·56	42·68
Bihar and Orissa . . . .	..	..	·01	..	·01	..
TOTAL RECEIPTS .	8,78 03	10,38·46	9,05·92	8,96 22	8,74·06	8,92·14
<i>Deduct—Refunds</i> .	6·17	16·18	14·63	14·32	14·79	14·74
<i>Deduct—Provincial Share</i> .	13 99	14·92	5·64	8·90	4·27	4·40
TOTAL REVENUE .	8,57·92	10,07·36	8,85·65	8,73 00	8,55 00	8,73·00
EXPENDITURE.						
Cost of salt purchased by Govern- ment	7·85	7·18	6·75	6·52	6 18	6·46
Assignments and compensations .	36·39	38·98	40·05	40·05	40 27	40·67
Interest	4 18	4·21	4·20	4·21	4·07	4·08
Depreciation	2·51	2·43	2·21	2·31	2·16	2·17
Other charges	63·66	58·08	60·64	61·52	62·37	64·15
Expenditure on retrenched personnel	·05	·07	·05	·01	·01	·01
Capital outlay on salt works . .	03	1·91	·31	1·19	1·00	·33
Total India .	1,14·67	1,12·86	1,14 21	1,15·81	1,16·06	1,17·87
England	1·03	·57	·84	·46	·69	·34
Exchange	·01	..	..	..	..	.
TOTAL .	1,15 71	1,13·43	1,15·05	1,16·27	1,16·75	1,18 21

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported salt

22. The budget estimate for the current year assumed total issues of 5,20 lakhs of maunds of salt. The figures of actual issues till the end of December 1934 indicate that the total issues during the year are not likely to exceed 5,10 lakhs of maunds, the fall being mainly due to large issues in February 1934 in anticipation of an increase in duty. This accounts for the decrease in the revised estimate of revenue as compared with the budget.

The estimate for next year is based on a total issue of 5,20 lakhs of maunds of salt.

23. The figures of salt consumption are given below for the last five years

	In lakhs of maunds.
1929-30	5,40
1930-31	5,23
1931-32	5,39
1932-33	5,15
1933-34	5,37
1934-35 (Estimate)	5,10
1935-36 (Estimate)	5,20

24. Figures of Provincial Governments' shares of Salt Revenue on account of additional duty on Foreign Salt under the Salt (Additional Import Duty) Acts, are given below :—

	Accounts, 1931-32.	Accounts, 1932-33.	Accounts, 1933-34.	1934-35.		Budget, 1935-36.
				Budget.	Revised.	
Madras						
Bombay	·17	·19	·07	12	05	05
Bengal	5·37	6·04	2·12	3·60	1 59	1 63
United Provinces	08	10	·03	·06	03	·03
Burma	4 89	4 66	2 05	2·78	1·56	1·62
Bihar and Orissa	2·83	3·19	1·12	1·90	·84	·87
Central Provinces	·01	·01	.	01	..	
Assam	·64	·73	·25	·43	·20	·20
Total	13·99	14·92	5·64	8·90	4·27	4·40

OPIUM.

—	Provision and medical opium	Excise opium and mis- cellaneous (less refunds).	Total revenue (Receipts less refunds).	Purchase of opium.	Other charges.	Total expendi- ture	Net revenue
1931-32 .	1,56·70	50·71	2,07·41	70·34	9·43	79·77	1,27·64
1932-33 . .	48·02	46·84	89·86	76·86	7·01	83 87	5·99
1933-34 . . .	1,12·96	46·01	1,58·97	63·89	6·93	70 82	88·15
1934-35 { Budget .	50·12	44·95	95·07	35·57	6·71	42·28	52·79
	Revised .	26·80	44·86	71 46	6·37	36·04	35·42
1935-36 Budget .	10·36	50·80	61·16	29·73	6 08	35 81	25·35

25. The revenue from opium is derived mainly from exports of what is called provision opium to foreign countries. The rest is sold at roughly cost price to Provincial Governments as excise opium for internal consumption in India and is retailed by them to licensed vendors at rates fixed by them and varying from province to province. Opium is exported to foreign countries only after the prescribed import certificate from the Government of the importing country is produced. The entire quantity is now dealt with under the system of direct sales to Foreign and Colonial Governments, the old auction sales in Calcutta to traders for export to foreign countries having been stopped with effect from the 7th April 1926.

26. It was assumed in the budget for the current year that 1,251 chests of provision opium would be exported during 1934-35. It is now expected that 628 chests will be exported during the period April to December 1934 and 35 during January to March 1935. This decrease of 588 chests is responsible for a decline of 24 in the current years' revenue. It is anticipated that during the next year about 257 chests will be exported. This source of income will practically cease at the end of the calendar year 1935 in accordance with the policy of the Government of India. In future, the receipts will be confined to opium sold for consumption in India.

OTHER PRINCIPAL HEADS OF REVENUE AND DIRECT DEMANDS ON THE REVENUE.

	Revenue.	Expenditure (including capital expenditure).	Net revenue.
1931-32	2,19·24	58·42	1,60·82
1932-33	1,84·85	58·21	1,26·64
1933-34	1,80·45	55·53	1,24·92
1934-35 { Budget	1,81·81	58·09	1,23·72
{ Revised	1,90·16	58·70	1,31·46
1935-36 Budget	1,91·05	59·54	1,31·51

27. These heads comprise Land Revenue, Excise, Stamps, Forest, Registration and Payments from Indian States. The increase in revenue in the revised estimate for the current year and the budget estimate for next year occurs mainly under Security Printing Press due to the manufacture of banderols for matches and larger demand from the Posts and Telegraphs department for the products of the Press.

IRRIGATION.

	Revenue (Receipts less Working expenses).	Expenditure (including Capital expenditure charged to Revenue).	Net expenditure.
1931-32	12·79	21·51	8·72
1932-33	1·64	5·40	3·76
1933-34	·07	4·06	3·99
1934-35 { Budget	03	5·95	5·92
{ Revised	·15	5·92	5·77
1935-36 Budget	·14	5·57	5·43

28. The figures do not call for any comments.

POSTS AND TELEGRAPHS.

	1934-35.					Budget, 1935-36.
	Accounts, 1931-32.	Accounts, 1932-33.	Accounts, 1933-34	Budget.	Revised.	
INDIAN POSTS AND TELE- GRAPHS DEPARTMENT.						
GROSS RECEIPTS	10,64.60	10,55 40	10,72.62	10,71.26	11,05.35	11,32.57
WORKING EXPENSES—						
India	10,71.41	10,04.46	10,31.68	9,92.80	9,99.32	10,54.00
England	9.49	11.78	8.51	8.68	8 35	8.05
Exchange . . . . .	.04	— .03	— .01	.	— 01	...
TOTAL	10,80.94	10,16.21	10,40.18	10,01.48	10,07 66	10,62.05
NET RECEIPTS	—16.34	39.19	32.44	69.78	97 69	70.52
EXPENDITURE CHARGED TO REVE- NUE—						
Interest	77.51	81.08	84.38	81.25	83.88	83.53
NET REVENUE	—93.85	—41.89	—51.94	—14.47	13.81	—13.01
CAPITAL OUTLAY CHARGED TO RE- VENUE—						
India	10.82	4.56	4.73	4.07	3.57	2 93
England . . . . .	..	..	..	..	..	..
Exchange . . . . .	..	..	..	..	..	..
TOTAL	10.82	4.56	4.73	4.07	3.57	2.93
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	29.50	14.82	5.86	39.70	34.46	55.07
England . . . . .	.45	..	.02	..	.04	...
Exchange . . . . .	..	..	..	..	..	.
TOTAL	29.95	14.82	5.88	39.70	34.50	55.07

29. The budget estimate for the current year anticipated a loss of 14 on the working of the Indian Posts and Telegraphs Department. It is now anticipated that there will be a gain of 14, i.e., an improvement of 28 over the original budget. This is mainly due to an improvement of 34 under revenue and a worseness of 6 under working expenses. It must, however, be remembered that this result has been achieved only by a raid of about 27 on the depreciation fund. It was explained at the time that this raid was only a temporary one, but that the whole question of the annual contribution to the fund was under review. The final results of this review are not yet available but it is anticipated that the amount to be provided for the depreciation fund will be about 10 less than under the old rules. The budget estimate for next year, therefore, provides for a contribution of 29 to the fund against only 10 in the current year, i.e., a worseness of 19. This worseness will, it is anticipated, be covered by an increase in revenue. The net result of the working of the department next year is anticipated to be a loss of 13 against a gain of 14 in the current year, i.e., a worseness of 27 which is due to the restoration of the pay cut.

30. The annual profit or loss in the working of the Department as shown in the accounts and estimates since it was commercialised is given below.—

		Current Loss—	Progressive. Profit +.
1925-26	. . . . .	+37.03	+37.03
1926-27	. . . . .	+10.25	+47.28
1927-28	. . . . .	—26.15	+21.13
1928-29	. . . . .	—53.83	—32.70
1929-30	. . . . .	—62.45	—95.15
1930-31	. . . . .	—1,33.49	—2,28.64
1931-32	. . . . .	—93.85	—1,61.10
1932-33	. . . . .	—41.89	—2,02.99
1933-34	. . . . .	—51.94	—2,54.93
1934-35 (Revised)	. . . . .	+13.81	—2,41.12
1935-36 (Budget)	. . . . .	—13.01	—2,54.13

As a result of the acceptance by Government of certain recommendations of the Posts and Telegraphs Accounts Enquiry Committee, the total progressive loss arising out of the commercial activities of the department, as shown in the accounts, up to the end of the year 1930-31, was reduced by 1,61.39. The figures of the progressive loss at end of 1931-32 and subsequent years have been corrected accordingly.

INTEREST RECEIPTS.

		Accounts, 1933-34.	Budget, 1934-35.	Revised, 1934-35.	Budget, 1935-36.
India	{ Interest on loans and advances	1,02.25	1,09.05	36.83	32.79
	{ Other items	2.92	3.97	4.17	4.33
England	{ Interest on temporary investment of cash balances, etc.	13.17	13.23	17.15	45.16
	{ Excess over £40 millions in the Gold Standard Reserve	44.61	60.00	1,54.00	.28
Exchange . . . . .	. . . . .	—12	..	—30	..
TOTAL		1,62.83	1,86.25	2,11.83	82.56

31. The large drop in India both in the revised estimate for the current year and the budget estimate for next year is mainly due to the elimination of a receipt of 67 on account of interest on the loan to the Bahawalpur Durbar, reference to which has been made in paragraph 5 of the Hon'ble the Finance

Member's Budget Speech. The increase in England in the revised estimate is due to larger sterling balances. The deterioration in the budget estimate for next year in England due to the transfer of the Gold Standard Reserve to the Reserve Bank with effect from the 1st April 1935 is partly counterbalanced by—

- (1) interest on the assets of the newly created Silver Redemption Reserve *vide* paragraph 21 of the Hon'ble the Finance Member's Budget Speech, and
- (2) Interest on India sterling bonds maturing during the next two years purchased by the Secretary of State from his cash balances.

INTEREST PAYMENTS.

	Accounts, 1933-34.	Budget, 1934-35.	Revised, 1934-35.	Budget, 1935-36.
<i>Interest on Ordinary Debt—</i>				
Gross payments—				
India	20,50 00	20,13 90	20,13 80	19,53 83
England	19,68 30	19,63 47	19,07 03	18,85 62
Exchange	—1 58	..	—3 31	..
Total	40,16 72	39,77 37	39,19 52	38,39 45
<i>Deduct—Amounts charged to—</i>				
Railways	31,29 45	30,81 17	30,61 07	30,46 44
Irrigation	2 57	2 50	2 55	2 60
Posts and Telegraphs	85 64	85 74	85 35	85 00
Other heads	26 19	8 94	8 00	7 88
Provincial Loans Fund	8,07 55	8,00 00	7,97 00	8,25 00
Total deductions	40,51 40	39,78 35	39,53 97	39,66 92
Net	—34 68	—98	—34 45	—1,27 47
<i>Interest on other Obligations—</i>				
Bonus on Post Office Cash Certificates	2,60 00	3,10 00	3,30 00	3,90 00
Post Office Savings Bank Deposits	1,28 55	1,41 32	1,50 00	1,69 00
Provident Funds	3,76 79	3,86 32	3,89 20	4,06 94
Service Funds	13 36	13 74	13 42	13 21
Fixed Deposits of Provin- cial Governments	12 26	5 50	7 78	4 50
Famine Relief Fund	9 60	9 39	7 20	6 94
Railway Depreciation Fund	57 21	60 75	52 92	58 25
Posts and Telegraphs Depre- ciation Fund	15 54	16 61	15 76	15 88
Other items	89 94	90 90	96 60	1,01 88
Total	9,63 25	10,34 53	10,62 88	11,66 60
Total Interest payments	9,28 57	10,33 55	10,28 43	10,39 15

Interest on Ordinary Debt.

32. Details of payments of Interest on Ordinary Debt will be found in the volume of Demands for Grants. The payments are, as usual, affected by the nature and extent of the ways and means operations, and are broadly summarised below :—

	Budget, 1934-35.	Revised, 1934-35.	Budget, 1935-36.
<i>India.</i>			
(i) Service of new rupee loan . . . . .	..	51.54	50.00
(ii) Management of Debt	7.90	7.91	7.72
(iii) Discount on Treasury Bills—			
(a) Paper Currency Reserve	36.00	44.64	..
(b) Public	69.10	42.47	85.00
(iv) Discount and premium written off to revenue	89.06	89.37	66.04
(v) Interest on temporary loans . . . . .	..	10.00	..
(vi) Interest on all other loans	18,11.59	17,69.45	17,44.67
(vii) Other items . . . . .	.25	.42	.40
	<u>20,13.90</u>	<u>20,15.80</u>	<u>19,53.83</u>

England.

(i) Interest on War Loan liability	57.72	..	..
(ii) Interest on loans contracted in England	15,40.32	15,40.40	15,39.24
(iii) Interest on Railway annuities	2,16.04	2,16.04	2,07.81
(iv) Interest on outstanding liabilities of railway companies taken over on purchase	1,34.43	1,34.43	1,23.93
(v) Management of Debt	13.00	14.04	12.68
(vi) Other items	1.96	2.12	1.96
	<u>19,63.47</u>	<u>19,07.03</u>	<u>18,85.62</u>

33. The Indian estimates assume the following figures for Treasury Bills outstanding :—

	1st April 1934	31st March 1935.	31st March 1936.
Bills outstanding with the public	33,31	22,00	} 46,00
Bills in the Paper Currency Reserve	25,93	27,50	

With the transfer of the assets of the Paper Currency Reserve to the Reserve Bank on the 1st April 1935, the treasury bills issued to the Reserve will with effect from that date be treated as those issued to the public.

34. Neither the revised estimate for the current year nor the budget estimate for next year contains any provision against (i) in England for interest on the outstanding liability in respect of the British War loan, as His Majesty's Government have agreed to postpone this payment.

Interest on other Obligations.

35. The increase in the budget estimate for next year as compared with the revised is mainly due to larger provision required for bonus on post office cash certificates (60) and to smaller increases under other heads. Interest on provident fund balances is calculated at $5\frac{1}{4}$ per cent. per annum in revised and 5 per cent. in budget. Interest on depreciation and reserve fund balances is calculated at 5.20 per cent. in current year and 5.08 per cent. in next which are the rates assumed in the estimates for the calculation of interest chargeable to commercial departments on advances for capital outlay.

36. The total net interest charges have varied as follows since 1924-25:—

Actuals, 1924-25	.	.	.	.	.	.	.	14,60
„ 1925-26	.	.	.	.	.	.	.	13,37
„ 1926-27	.	.	.	.	.	.	.	11,77
„ 1927-28	.	.	.	.	.	.	.	10,57
„ 1928-29	.	.	.	.	.	.	.	10,20
„ 1929-30	.	.	.	.	.	.	.	10,85
„ 1930-31	.	.	.	.	.	.	.	11,28
„ 1931-32	.	.	.	.	.	.	.	12,83
„ 1932-33	.	.	.	.	.	.	.	11,61
„ 1933-34	.	.	.	.	.	.	.	9,29
Revised, 1934-35	.	.	.	.	.	.	.	10,28
Budget, 1935-36	.	.	.	.	.	.	.	10,39

The increase in the revised estimate for the current year over the actuals of last year is mainly due to larger provision for bonus on post office cash certificates and larger balances of post office savings bank deposits and provident funds.

37. The following table shows the provision made from year to year in respect of the liability for bonus on postal cash certificates:—

Year.	Balance held at close of the year on account of cash certificates.	Bonus provided for from revenue.
1924-25	13,12	16
1925-26	20,96	16
1926-27	26,68	16
1927-28	30,70	23
1928-29	32,30	60
1929-30	35,00	73
1930-31	38,43	2,06
1931-32	44,58	2,06
1932-33	55,64	2,20
1933-34	63,71	2,60
1934-35	66,49	3,30
1935-36	69,24	3,90

APPROPRIATION FOR REDUCTION OR AVOIDANCE OF DEBT.

38. As explained by the Hon'ble the Finance Member in his budget speech, 3,00 is being provided in the estimates for next year also for reduction or avoidance of debt.

39. The provision of 3,00 will cover the following specific items :—

	Revised, 1934-35.	Budget, 1935-36.
Sinking fund provision for 5 per cent. rupee loans	1,36.71	1,36.71
Railway sinking funds	26.62	26.67
Capital portion of liabilities assumed in respect of British 5 per cent. War Loan 1929-47 . . . . .	..	..
A part of the capital portion of Railway annuities	1,36.67	1,36.62
TOTAL	3,00.00	3,00.00

40. The sums provided from revenue on this account from year to year are indicated below :—

1923-24	. . . . .	3,62
1924-25	. . . . .	3,78
1925-26	. . . . .	4,97
1926-27	. . . . .	4,97
1927-28	. . . . .	5,04
1928-29	. . . . .	5,42
1929-30	. . . . .	5,74
1930-31	. . . . .	6,14
1931-32	. . . . .	6,89
1932-33	. . . . .	6,84
1933-34	. . . . .	3,00
1934-35	. . . . .	3,00
1935-36	. . . . .	3,00

CIVIL ADMINISTRATION.

	Revenue.	Expenditure.	Net expenditure.
1931-32	94.45	12,17.55	11,23.10
1932-33	86.68	9,68.79	8,82.11
1933-34	76.22	9,53.62	8,77.40
1934-35 (Budget	78.28	9,58.62	8,80.34
/ Revised	81.26	11,10.60	10,29.34
1935-36 Budget	92.75	10,17.13	9,24.38

41. *Revenue*.—The increase in the revised estimate as compared with the budget is mainly due to larger ports and pilotage receipts due to improvement in trade. The increase in the budget estimate for next year as compared with the current year's revised is entirely due to certain recoveries in the Indian Stores Department which were hitherto shown as deductions from expenditure being shown as receipts with effect from the 1st April 1935.

42. *Expenditure*.—The revised estimate for the current year includes the following special items :—

(a) Development in tribal areas on the North-West Frontier	25
(b) Development of Broadcasting	20
(c) Development of Civil Aviation	93
Total	<u>1,38</u>

Excluding the above, the revised exceeds the current year's budget by 14 which is made up as follows :—

(1) Political—Expenditure incurred by the Punjab Government on account of the Ahirai prisoners, visit of His Highness the Maharaja of Nepal and other items	4
(2) Frontier Watch and Ward—Owing to the unavoidable delay in effecting reductions in the Frontier Constabulary	3
(3) Agriculture—Mainly due to grant to the Imperial Council of Agricultural Research for research purposes, marketing etc	7
Total	<u>14</u>

43. The budget estimate for next year exceeds the current year's revised, excluding special items referred to in the above paragraph, by 58 which is made up as follows :—

(1) Restoration of the pay cut	18
(2) Indian Stores Department recoveries referred to in para 41 above	11
(3) Marketing	5
(4) Central Dairy Institute	4
(5) Grants to handloom and sericultural industries	4
(6) Other miscellaneous items such as increments, etc	16
Total	<u>58</u>

CURRENCY AND MINT.

		Revenue.	Expenditure.	Net revenue.
1931-32		1,78·62	76·09	1,02·53
1932-33		2,30·63	65·67	1,64·96
1933-34		1,33·41	59·31	74·10
1934-35	{ Budget	1,27·02	66·39	60·63
	{ Revised	1,29·18	74·04	55·14
1935-36	Budget	1,07·01	32·56	74·45

44. *Revenue.* The revised estimate is made up as follows :—

(1) Interest on rupee securities in the Paper Currency Reserve	15·54
(2) Interest on sterling securities in the Paper Currency Reserve	8 00
(3) Discount on treasury bills issued to the Paper Currency Reserve	44 64
(4) Profit on the circulation of nickel and bronze coin	26 13
(5) Other items, including the receipts of the Currency Note Press, miscellaneous mint receipts, etc	34 87
Total	<u>1,29·18</u>

As a result of the transfer of the assets of the Paper Currency Reserve to the Reserve Bank on the 1st April 1935 items (1) to (3) above will not appear in the estimates for next year, but in their stead we shall get the surplus profits of the Reserve Bank. The budget estimate of 1,07·01 for next year is made up of—

(1) Government share of the profits of the Reserve Bank . . .	50·00
(2) Profits on circulation of bronze and nickel coin	27 80
(3) Other items	29 21
Total	<u>1,07·01</u>

45. *Expenditure.*—The decrease in the budget estimate for next year as compared with the current year's revised is mainly due to the transfer of the Currency offices to the Reserve Bank.

CIVIL WORKS.

46. The grant to the Road Development Fund which is included for budgetary purposes under Civil Works is shown separately.

Ordinary.

		Revenue.	Expenditure.	Net expenditure.
1931-32	. . . . .	24.52	1,18.77	94.25
1932-33	. . . . .	23.37	75.39	52.02
1933-34	. . . . .	26.93	89.72	62.79
1934-35	{ Budget	23.86	83.96	60.10
	{ Revised	23.85	83.18	59.30
1935-36	Budget	23.30	94.32	71.02

Appropriation to Road Fund.

1931-32	. . . . .	1,02.01
1932-33	. . . . .	1,01.77
1933-34	. . . . .	1,08.51
1934-35	{ Budget	1,18.00
	{ Revised	1,63.00
1935-36	Budget	1,31.00

47. The revised estimate of Appropriation to Road Fund includes the special contribution of 40 referred to in paragraph 30 of the Hon'ble the Finance Member's budget speech.

MISCELLANEOUS.

		Revenue.	Expenditure.	Net expenditure.
1931-32	. . . . .	1,56.91	4,34.15	2,77.24
1932-33	. . . . .	93.23	4,23.52	3,30.29
1933-34	. . . . .	78.95	4,21.26	3,42.31
1934-35	{ Budget	56.37	4,31.74	3,75.37
	{ Revised	74.16	4,36.99	3,62.83
1935-36	Budget	56.63	4,45.76	3,89.13

48. The larger revised estimate of revenue compared with the budget is due to gain by exchange. No similar credit on account of gain by exchange has been taken in the budget for next year as the estimate has, as usual, been framed on the basis of 1s. 6d. the rupee.

49. The increase in the revised estimate of expenditure, as compared with the budget of the current year, mainly represents larger payments of superannuation allowances and pensions. The next year's estimate provides for the normal growth of the pension list.

EXTRAORDINARY ITEMS

	Accounts, 1933-34.	1934-35.		Budget, 1935-36.
		Budget.	Revised.	
Receipts—				
India	3.00	..	..	..
England	32.69	..	.02	..
Exchange	—05	..	..	..
TOTAL	35.64	..	.02	..
Payments—				
India	(a) 2,78.17	2.22	1,14.82	.28
England	3.56	.88	1.18	1.08
Exchange . . . . .	.	.	.	..
TOTAL	2,81.73	3.10	1,16.00	1.36

(a) Includes 2,71.66 transferred to the Fund for reconstruction of earthquake damage

50. The revised estimate includes 1,13 for grants to provinces for economic development and improvement of rural areas, referred to in paragraph 29 of the Hon'ble the Finance Members' budget speech

MISCELLANEOUS ADJUSTMENTS BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS.

1933-34	Actuals	. . . . .	1,00 00
1934-35	Budget	. . . . .	2,52.44
	Revised	. . . . .	2,94.90
1935-36	Budget	. . . . .	3,04.94

51. The details of the estimates are as follows :—

	Budget, 1934-35.	Revised, 1934-35.	Budget, 1935-36
(1) Subvention to North-West Frontier Province	1,00 00	1,00.00	1,00 00.
(2) Special subventions to Bengal, Bihar and Orissa and Assam on account of their share of net jute export duty	1,26 00	1,69 00	1,79 00.
(3) Special subvention to Burma equivalent to the proceeds from their match tax	18 00	18.00	18 00
(4) Special subvention to Provinces out of the sugar excise duty	7.00	5 48	6.43
(5) Other items	1.44	2.42	1.51.
Total	2,52.44	2,94.90	3,04.94.

WAYS AND MEANS.

HOME TREASURY.

52. The following is a summary of the estimated transactions of the Home Treasury :—

(In millions of £.)

	Budget, 1934-35	Revised, 1934-35	Budget, 1935-36
RECEIPTS			
1 Discount on loans raised in previous years brought to account as debt incurred	35	35	38
2 Remittances between England and India—			
(a) Transfers through the Reserves		—13 40	
(b) Recoveries on account of drawings by Iraq administration on India	55	65	60
(c) Sale of silver		2 90	3 00
(d) Other transactions	— 03	13	— 05
3 Deposits and Advances	13	—7 87	5 77
Total Receipts, excluding direct remittances and loans	1 00	—17 24	9 70
DISBURSEMENTS			
4 Excess of Expenditure of the Central Government over Revenue	24 58	23 21	24 18
5 Disbursements on behalf of Provincial Governments	2 37	2 48	2 46
6 Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways	1 29	1 43	1 30
(b) Other items	01	01	
7 Discharge of Permanent Debt	2 60	1 98	17 49
Total Disbursement	30 85	29 11	45 63
NET DISBURSEMENTS	29 85	46 35	35 93
Remittances from India (net)	26 70	39 00	26 02
New Loan (less discount)	2 85	2 33	
Reduction (+) or increase (—) of cash balance	+ 30	+ 5 02	+ 9 91
Opening Balance	5 33	15 66	10 64
Closing Balance	5 03	10 64	73

53. Item 2 (a) under revised represents the amount transferred to the Paper Currency Reserve from the Secretary of State's cash balances. £ 2·9 millions out of this is from the proceeds of the sale of silver.

54. The large debit under " deposits and advances " in revised is due to the purchase by the Secretary of State from his cash balances, of India Sterling Bonds maturing during the next 2 years. The large credit in the budget for next year represents the value of these Bonds maturing next year.

55. The provision in the revised under " discharge of permanent debt " represents mainly the provision for railway sinking funds and the capital portion of railway annuities. The former of these and a portion of the latter are met out of the provision for reduction or avoidance of debt, *vide* para. 39. The budget for next year includes, in addition to these items, the repayment of £11·95 millions of India Sterling 6 per cent. Bonds 1935-37 and £3·5 millions of East Indian Railway 4½ per cent. Debenture Stock 1935-55.

56. The remittance programme for the current year, as estimated, is as follows :—

		(In millions of £)
Purchase of sterling	.	39 00
Sterling taken over in London	.	03
Sale proceeds of silver	.	2 90
Transfers through the Paper Currency Reserve	.	—13 40
Total		28 53

The sterling requirements of the Secretary of State for next year, as estimated at present, amount to £26 millions.

57 No sterling loan was issued in the year 1934-35 and the estimate for next year also assumes that no such loan will be issued. The programme however is only illustrative. The sum of £2·33 millions shown in the revised against the head 'New Loan' represents the instalments paid in the current year on account of the 3½ per cent. stock 1954-59 issued in the year 1933-34

INDIA.

58. The following is a summary of the estimates of ways and means in India during 1934-35 and 1935-36 :—

(In crores of rupees.)

	Budget, 1934-35.	Revised, 1934-35.	Budget, 1935-36.
RECEIPTS.			
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	32·87	31·31	32 29
2. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	5·50	2·78	2 75
(b) Post Office Savings Bank deposits (net)	6·00	7 10	8 75
(c) Other Savings Bank deposits (net)	5·99	5 87	6·42
3. Appropriation for reduction or avoidance of debt	3·00	3 00	3·00
4. Railway Depreciation Fund	— 35	1·49	1·89
5. Posts and Telegraphs Depreciation Fund			·19
6. Discount Sinking Fund	89	41	·66
7. Defence Reserve Fund	— 50	35	— 57
8. Civil Aviation		90	— 44
9. Economic development and improvement of rural areas		1 13	— 25
10. Broadcasting		20	— 05
11. Development in tribal areas on the North-West Frontier		25	— 10
12. Fund for reconstruction of Earthquake damage	— 75	— 83	— 89
13. Post Office Cash Certificate Bonus Fund	1·10	74	— 25
14. Miscellaneous Deposits and Remittances (net)	2·03	1·01	16·45
TOTAL RECEIPTS	55·78	55·71	69·85

(In crores of rupees)

	Budget, 1934-35.	Revised. 1934-35	Budget, 1935-36.
DISBURSEMENTS.			
15. Capital Expenditure not charged to Revenue—			
(a) State Railways	2 96		3 50
(b) Posts and Telegraphs	40	34	55
(c) Other items	1 29	1 42	6 23
16. Permanent Debt discharged	13 24	32 95	27 61
17. Floating Debt discharged (net) . . . . .	..	9 74	3 50
18. Loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve (net)	05	5 88	7 00
19. Loans by the Central Government—			
(a) To Provincial Loans Fund	6 00	4 00	10 25
(b) Other Loans	1 49	— 15	— 01
20. Remittances between England and India—			
(a) Remittance from India for financing Home Treasury	35 60	52 04	34 69
(b) Transfers through the Gold Standard Reserve and the Paper Currency Reserve		— 17 87	
(c) Sale of silver		3 87	4 00
(d) Other transactions (net)	70	99	73
21. Balances of Provincial Governments	— 2 91	— 2 91	— 2 71
TOTAL DISBURSEMENTS	58 82	90 30	95 34
NET DISBURSEMENTS	3 04	34 54	25 49
New Loan		35 80	25 00
Reduction (+) or increase (—) of cash balance	+ 3 04	— 1 21	+ 49
Opening Balance	13 44	11 89	13 10
Closing Balance	10 40	13 10	12 61

59. There were two rupee loans floated in the current year. The first was a re-issue of $3\frac{1}{2}$ per cent loan 1947-50 at Rs. 98-8-0 per cent and the second was an issue of 3 per cent Bonds 1941 at Rs. 99 per cent. The results of these loans are given below :—

	(In lakhs of rupees)	
	$3\frac{1}{2}$ per cent. Bonds 1947-50	3 per cent. Bonds 1941
Subscriptions in cash	5,24	8,61
Subscriptions in treasury Bills	98	
Subscriptions in the form of $4\frac{1}{2}$ Bonds 1934	4,72	2,06
Subscriptions in the form of 4 Loan 1934-37	14,19	
Total	25,13	10,67

60. The figures shown against "Permanent Debt discharged" in the revised estimate for the current year and budget estimate for next year include the following :—

	Revised estimate, 1934-35	Budget estimate, 1935-36
$4\frac{1}{2}$ per cent. Bonds 1934 converted or discharged	12,94	..
4 per cent. loan 1934-37 converted or discharged	19,48	..
$6\frac{1}{2}$ per cent Treasury Bonds 1935		16,00
5 per cent Bonds 1935 . . . . .	..	11,36
	32,42	27,36

61. The following table gives a summary of the estimates of ways and means in India and England combined :—

(In lakhs of rupees.)

	Budget, 1934-35.			Revised, 1934-35.			Budget, 1935-36		
	India.	England.	Total	India	England.	Total	India	England.	Total.
	1	2	3	4	5	6	7	8	9
Opening Balance .	13,44	7,10	20,54	11,89	20,88	32,77	13,10	14,18	27,28
Excess of Revenue over Expenditure .	32,87	—32,77	10	31,31	—30,95	36	32,29	—32,23	6
New Loan .		3,80	3,80	35,80	3,11	38,91	25,00		25,00
Post Office Cash Certificates (Net) .	5,50		5,50	2,78		2,78	2,75		2,75
Post Office Savings Bank Deposits (Net) .	6,00		6,00	7,10		7,10	8,75		8,75
Other Unfunded Debt (Net) .	5,99	17	6,16	5,87	16	6,03	6,42	16	6,58
Discount Sinking Fund .	89		89	41		41	66		66
Reduction or Avoidance of Debt .	3,00		3,00	3,00		3,00	3,00		3,00
Railway Depreciation Fund .	—35		—35	1,49		1,49	1,89		1,89
Posts and Telegraphs Depreciation Fund .							19		19
Defence Reserve Fund .	—50		—50	35		35	—57		—57
Cash Balance Investment Account .				—4,13		—4,13	5,37		5,37
Cash Certificate Bonus Fund .	1,10	...	1,10	74		74	—25		—25
Civil Aviation .				90		90	—44		—44
Economic development and improvement of rural areas .				1,13		1,13	—25		—25
Broadcasting .				20		20	—5		—5
Development in tribal areas on N. W. F. .				25		25	—10		—10
Other Deposits and Advances (Net) .	2,06	—3	2,03	3,24	—10,53	—7,29	11,14	7,46	18,60
TOTAL .	56,56	—28,83	27,73	90,44	—38,21	52,23	95,80	—24,61	71,19
GRAND TOTAL .	70,00	—21,73	48,27	1,02,33	—17,33	85,00	1,08,90	—10,43	98,47
Capital Outlay—									
Railways .	2,96	1,72	4,68		1,90	1,90	3,50	2,00	5,50
Posts and Telegraphs .	40		40	34		34	55		55
Civil .	83	1	84	83	1	89	5,83		5,83
Commutation of Pensions .	49		49	55		55	44		44
Gratuities to retrenched personnel .	—3		—3	—1		—1	—4		—4
Discharge of Permanent Debt .	13,24	3,00	16,24	32,95	2,17	35,12	27,61	22,81	50,42
Discharge of Treasury Bills—									
Public (Net) .			..	11,31		11,31	3,50	...	3,50
P. C. R. (Net) .			..	—1,57		—1,57			
Sinking Fund Investment Account .			..	—1,77		—1,77	—1		—1
Gain or loss on sale, etc., of assets of the Paper Currency Reserve .	5	...	5	5,88		5,88	7,00		7,00
Fund for reconstruction of Earthquake damage .	75		75	83		83	89		89
Loans to public (Net) .	1,49	..	1,49	—15		—15	—1	...	—1
Sale of silver (Remittance Account) .			..	3,87	—3,87		4,00	—4,00	..
Irish drawing .	73	—73	..	86	—86		80	—80	...
Home Remittances .	35,60	—35,60	..	52,04	—52,04		34,69	—34,69	...
Transfers through the Gold Standard Reserve and the Paper Currency Reserve .			..	—17,87	17,87				
Provincial requirements .	3,09	3,16	6,25	1,09	3,31	4,40	7,54	3,28	10,82
TOTAL .	59,60	—28,44	31,16	89,23	—31,51	57,72	96,29	—11,40	84,89
Closing Balance .	10,40	6,71	17,11	13,10	14,18	27,28	12,61	97	13,58
GRAND TOTAL .	70,00	—21,73	48,27	1,02,33	—17,33	85,00	1,08,90	—10,43	98,47

62. The figures relating to India's debt have been given in Appendix II. The balance of total interest-bearing obligations not covered by interest yielding assets, cash and bullion on the 31st March 1935 shows a decrease of 1·76 crores as compared with the balance on the 31st March 1934.

P C. TALLENTS.

The 28th February 1935.

APPENDIX I.

Memorandum on the Defence Services Estimates for 1935-36.

The Defence Estimates cover expenditure on the Army in India, the Royal Air Force in India and the Royal Indian Navy.

They have been prepared in the same form as those for 1934-35 and follow a cash system of estimate and accounts which, from 1927-28 onwards, has replaced the elaborate system of cost accounts previously in force.

2. A table showing the course of expenditure during the past five years and the estimated expenditure in the current and impending financial years is given below :—

								Crores of rupees.
1929-30	.	.	.	.	.	.	.	55.10
1930-31	.	.	.	.	.	.	.	54.30
1931-32	.	.	.	.	.	.	.	51.76
1932-33	.	.	.	.	.	.	.	46.74
1933-34	.	.	.	.	.	.	.	44.42
1934-35 (Budget estimate)	.	.	.	.	.	.	.	44.38
1934-35 (Revised estimate)	.	.	.	.	.	.	.	44.34
1935-36 (Budget estimate)	.	.	.	.	.	.	.	44.98

3. The Budget figure for 1935-36 is 60 lakhs more than that of the current year. The decision to restore the cut in pay involves an increase of expenditure of 53 lakhs under Defence Services.

During the current year the cuts in pay imposed by His Majesty's Government were partially restored and this accounts for an increase of 5 lakhs in the pay of British soldiers on the Indian establishment.

It will be noted, therefore, that apart from the restoration of these cuts the increase over the current year's estimate is only 2 lakhs.

4. Hon'ble Members have been warned from time to time that the budget allotments accepted by H. E. the Commander-in-Chief during recent years should not be regarded as marking a new permanent level of Defence expenditure, because to some extent the very large reduction made had been achieved by measures of a purely temporary nature. Apart from the fall in general price levels and the emergency cuts in pay, the most important amongst those temporary measures have been the curtailment of building and other programmes and the eating down of stocks rendered surplus by retrenchments. The curtailment of building programme has resulted in the accumulation of commitments which can no longer be postponed; in fact, the maintenance of certain old buildings, the reconstruction of which is overdue, has become uneconomical. It has, therefore, been found necessary during the coming financial year to increase the allotment for works by 25 lakhs.

The consumption of surplus stocks has now reached a point at which, as was to be expected, expenditure on the purchase and maintenance of stores must rise. Increased provision to the extent of 12½ lakhs has had to be made on this account.

5. Whilst the machines at present in use by the Royal Air Force in India are still serviceable they are no longer produced commercially having been superseded in manufacture by later types. The cost of their maintenance

will, therefore, become an increasing charge and it has been decided to start the re-equipment of Squadrons with up-to-date machines. In order to effect this re-equipment on an economical basis, it has been planned to take place over a period of eight years. By this means the cost will be evenly distributed instead of falling wholly on two or three Defence budgets. It will also permit of present stocks of spare parts and accessories being gradually eaten down, and so obviate the discard of large quantities of stores when the process of re-armament is complete. An instalment of 12 lakhs has been included in the R. A. F. estimates to meet re-equipment expenditure in 1935-36.

6. During the period of financial stringency the provision of miscellaneous articles of equipment and certain reorganisations necessary to secure the up-to-date efficiency of the Defence Services have been held in abeyance. Action on certain of these measures can now no longer be delayed and in order to meet them a sum of 17½ lakhs has been provided in the estimates. Some of the more important of them are described below. The list has been subjected to the most rigid scrutiny and no measure has been included which is not considered essential for the efficiency of the Forces. Included in this figure is a sum of Rs. 61,000 to meet the cost of that portion of the office of the Director General, Indian Medical Service, which administers Medical Store Depots in India and which has hitherto been a charge against Civil estimates. It has been held that as this part of the Director General's office is wholly employed on work connected with Defence Services the cost of it should be borne by Defence Estimates. This view has been accepted by the Military Accounts Committee and follows a ruling given by the Auditor General.

The supply of water at Quetta has at various periods in the past caused anxiety. In 1932 supplies fell so low that it was thought that troops might have to be moved from Quetta until heavy rains in July saved the situation. This year the shortage is again acute. Quetta depends mainly upon one source of supply which is uncertain, and a year of drought brings about a serious shortage. Manifestly this position cannot be allowed to continue and it has been decided to construct a reservoir to hold supplies sufficient to carry over two bad years. A sum of 3½ lakhs has been provided to meet expenditure on the scheme in 1935-36.

For reasons of economy establishments of Supply units have been reduced to a minimum, and it has now to be recognised that the establishment is insufficient to permit them to function on mobilisation. Some increase in both peace and reserve establishment is, therefore, essential and 3 lakhs has been provided for this purpose.

The shape of the landing ground at Peshawar does not give an adequate length of "run" for the landing of air craft. In fact the Royal Air Force authorities declare it to be unsafe for the landing of the new Audax machines without risk of damage. These machines, which are being acquired under the re-equipment scheme to which a reference has been made in paragraph 5, are valued at about Rs. 53,000 each. The alteration of the landing ground involves the acquisition of ground at present used as Rifle ranges, and new ranges will have to be constructed on alternative sites. The entire scheme involves an initial outlay of Rs. 1,70,000.

7. The new additions to expenditure which have been mentioned come to a total of 67 lakhs and it may be asked how the money has been found within estimates which show an increase of only 2 lakhs over those of the current year.

The continued low prices of grains and other foodstuffs have enabled the Defence authorities to reduce the provision on this account by 20 lakhs. Budget rates for these commodities have in recent years been fixed to allow for a moderate rise in prices. The anticipated rise has not so far materialised and substantial savings on the estimates have resulted in consequence. This means that money has been tied up unnecessarily. To avoid a repetition of this result it has been decided, by agreement with the Finance Department, to reduce the safety margin. The budget rates for 1935-36 have not been fixed at an unreasonably low level, but the reduction of the safety margin means a certain amount of risk that the Defence Estimates may not prove completely self-contained. The agreement with the Finance Department, therefore, includes a provision that, if the necessity should arise, the question will be considered of making a supplementary grant if a deficiency should result from the adoption of the lower figures.

The greater part of the balance has been made up by reductions under other heads, in pursuance of the undertaking given by H. E. the Commander-in-Chief that he would not relax his search for further economies. It is largely due to the success of the efforts which he and his officers have made in this direction that it has been found possible to provide for this unavoidable new expenditure without a substantial addition to the estimates.

Among the economies effected may be mentioned a re-organisation of the Mechanical Transport services which has produced savings of 3 lakhs; the exercise of stricter control over moves which has led to a reduction of 8 lakhs in expenditure on rail charges; and economies in the use of such articles as petrol, lubricants, kerosene oil, coal and firewood which have enabled expenditure on them to be reduced by about 4 lakhs.

8. The position of the re-equipment programme is as follows:—

	Crores of rupees.
Amount spent up to 31st March 1934	7.51
Amount allotted from the Defence Reserve Fund in 1934-35 . . . . .	.29
	<hr/> 7.80

The estimated cost of the whole programme has now been reduced from 10 crores to 9.75 crores. The balance to complete is, therefore, 1.95 crores. The balance available in the Defence Reserve Fund to meet this is 91 lakhs, but it has still been found necessary to earmark a portion of this balance to finance unavoidable measures which do not form part of the programme.

In 1935-36 a sum of 20 lakhs is being transferred from the Defence Reserve Fund for programme expenditure.

9. Detailed explanations of variations in the Defence estimates are given in the volume of budget estimates. If Hon'ble Members desire any further information they are invited to obtain it by personal request to the Financial Adviser, Military Finance.

NEW DELHI;
The 28th February 1935.

} A. MACLEOD,
Financial Adviser, Military Finance.

	Accounts, 1933-34.	Budget, 1934-35.	Revised, 1934-35.	Budget, 1935-36.
EXPENDITURE.				
<i>48.—Defence Services Effective.</i>				
1. Fighting Services . . .	16,95,39,893	17,12,57,000	17,02,63,000	17,18,14,000
2. Administrative Services .	6,53,39,601	6,63,50,000	6,64,16,000	6,98,87,000
3. Manufacturing Establishments (including stores) . . .	2,28,93,372	2,39,70,000	2,36,03,000	2,47,07,000
4. Army Headquarters, Staff of Commands, etc. . .	1,90,08,870	1,95,07,000	1,91,02,000	2,01,93,000
5. Purchase and sale of stores, Equipment and Animals (other than those purchased direct by manufacturing establishments, M. E. S., R. A. F. and R. I. N.) . . .	3,23,47,236	4,03,67,000	3,39,64,000	3,56,60,000
6. Special Services . . .	4,44,121	..	2,10,000	..
7. Transportation, Conservancy, Hot Weather establishments and Miscellaneous . . .	2,60,73,030	2,80,08,000	2,68,25,000	2,70,14,000
8. Military Engineer Services (including stores) . . .	3,81,58,825	3,25,75,000	3,39,81,000	3,61,80,000
9. Auxiliary and Territorial Forces . . .	66,58,458	68,72,000	66,21,000	66,12,000
10. Royal Air Force (including stores) . . .	1,73,50,942	1,81,65,000	1,72,79,000	1,95,91,000
11. Royal Indian Navy (including stores) . .	62,35,782	74,81,000	72,68,000	60,93,000
Total . . .	40,40,50,130	41,45,52,000	40,55,32,000	41,77,51,000
<i>49.—Defence Services—Non-Effective.</i>				
1. Army	8,51,42,670	8,49,27,000	8,53,84,000	8,55,84,000
2. Royal Air Force . . .	4,92,860	4,46,000	4,83,000	5,46,000
3. Royal Indian Navy . .	8,52,448	8,97,000	8,61,000	8,58,000
Total . . .	8,64,87,978	8,62,70,000	8,67,28,000	8,69,88,000
<i>50.—Transfers to from Defence Reserve Fund .</i>				
	69,70,821	—49,75,000	34,98,000	—56,62,000
Total Expenditure . . .	49,75,08,929	49,58,47,000	49,57,58,000	49,90,77,000

	Accounts, 1933-34.	Budget, 1934-35.	Revised, 1934-35	Budget, 1935-36
RECEIPTS.				
XXXVI.—Defence Services —Effective . . .	4,85,29,856	4,77,00,000	4,74,61,000	4,47,09,000
XXXVII.—Defence Services —Non-Effective . .	47,32,073	43,47,000	48,71,000	45,68,000
Total Receipts .	5,32,61,929	5,20,47,000	5,23,32,000	4,92,77,000
Net Expenditure .	44,42,47,000	44,38,00,000	44,34,26,000	44,98,00,000

Statement showing the interest-bearing obligations of the Government of

	31st March 1923.	31st March 1924	31st March 1925.	31st March 1926.	31st March 1927.	31st March 1928.
INTEREST-BEARING OBLIGATIONS.						
<i>India—</i>						(In crores
Loans (a)	339.83	358.81	370.38	368.29	374.44	372.25
Treasury Bills in the hands of the public	21.59	2.12	..	..	..	7.59
Treasury Bills in the Paper Currency Reserve	49.65	49.65	49.65	49.65	41.47	31.94
Ways and Means Advance . . . . .	..	..	..	..	..	..
Other Obligations—						
Post Office Savings Banks	23.20	24.79	25.64	27.23	29.51	32.67
Cash Certificates	3.13	8.42	13.12	20.96	26.68	30.70
Provident Funds, etc.	36.17	39.00	42.39	46.36	51.02	55.82
Depreciation and Reserve Funds . . . . .	..	..	9.08	15.45	20.10	25.48
Provincial Balances (b)	2.86	4.17	4.83	11.87	10.49	10.48
Total Loans, etc.	411.07	410.58	420.03	417.94	415.91	411.78
Total Other Obligations	65.86	76.38	95.06	121.87	137.80	155.15
Total in India	476.43	486.96	515.09	539.81	553.71	566.93
<i>In England—</i>						(In millions
Loans (a)	222.92	244.53	(c) 263.39	(e) 266.35	265.09	272.32
War Contribution	19.71	19.27	18.81	18.32	17.81	17.28
Capital value of liabilities undergoing redemption by way of terminable railway annuities	61.31	60.10	58.84	57.53	56.19	54.79
India Bills . . . . .	..04	..13	..16	..21	..27	..19
Provident Funds, etc. . . . .	..	..	..	..	..	..
Total in England	303.00	324.03	341.20	342.41	339.36	344.58
Equivalent at 1s. 6d. to the Rupee	405.31	432.04	454.93	456.55	452.48	(In crores 459.44
Total Interest-bearing obligations	881.74	919.00	970.02	996.36	1,006.19	1,026.37
INTEREST-YIELDING ASSETS—						
Capital advanced to Railways	517.22	537.02	(d) 578.05	(f) 605.61	635.46	668.60
Capital advanced to other Commercial Departments	19.43	20.07	22.00	17.77	19.16	20.73
Capital advanced to Provinces	87.49	97.56	106.43	114.60	120.17	126.34
Capital advanced to Indian States and other interest-bearing loans	8.90	8.93	10.16	11.84	12.11	13.91
Total Interest-yielding assets	633.04	663.58	716.64	749.82	786.90	829.58
Cash, bullion and securities held on Treasury account	44.80	50.47	57.35	51.96	37.48	24.26
Balance of total interest-bearing obligations not covered by above assets	203.90	204.95	196.03	194.58	181.81	172.53

- (a) These figures represent the nominal amounts of loans outstanding and also
 (b) The figures represent those portions of provincial balances which bear interest Relief Fund or because they have been placed with the Government of India
 (c) Includes the liability assumed by the Secretary of State for East Indian Railway Railway on the 1st January 1925. It therefore does not represent any increase
 (d) Includes 27.07 crores on account of the liability referred to in (c)
 (e) Includes the liability assumed by the Secretary of State for the Great Indian contract with that Railway on the 1st July 1925. Vide also last sentence under
 (f) Includes 4.88 crores on account of the liability referred to in (e)

DIX II.

India, outstanding at the close of each financial year.

31st March 1929	31st March 1930.	31st March 1931.	31st March 1932.	31st March 1933.	31st March 1934.	31st March 1935.
of rupees.)						
390.73	405.11	417.24	422.69	446.89	435.43	438.28
4.00	36.04	55.38	47.53	26.09	33.31	22.00
39.15	29.22	5.89	49.67	35.48	25.93	27.50
..	..	..	9.50	..	..	..
34.49	37.13	37.03	38.20	43.40	52.23	59.33
32.30	35.00	38.43	44.58	55.64	63.71	66.49
60.52	65.41	70.33	73.04	76.74	82.49	88.36
31.09	30.18	21.39	17.65	15.22	13.04	14.83
10.43	10.21	6.09	4.32	7.02	6.17	5.59
433.88	470.37	478.51	529.39	508.46	494.67	487.78
168.83	177.93	173.27	177.79	198.02	217.64	234.60
602.71	648.30	651.78	707.18	706.48	712.31	722.38
of £)						
283.31	289.03	316.81	313.60	314.33	321.01	323.57
16.72	16.72	16.72	16.72	16.72	16.72	16.72
53.35	51.86	50.32	48.72	47.06	45.35	43.58
..	6.00	4.05	..	..	..	..
.. 43	2.54	.69	.80	.91	1.03	1.15
353.81	366.15	388.59	379.84	379.02	384.11	385.02
of rupees.)						
471.75	488.20	518.12	506.45	505.36	512.15	513.36
1,074.46	1,136.50	1,169.90	1,213.63	1,211.84	1,224.46	1,235.74
700.69	730.79	743.98	750.73	756.75	754.94	756.84
21.81	22.70	23.65	24.25	21.89	23.23	23.71
137.52	142.60	151.82	163.64	173.04	175.20	179.22
15.49	17.65	19.45	20.29	20.92	21.11	21.26
875.51	913.74	938.90	958.91	972.60	974.48	981.03
28.34	45.36	34.03	41.42	35.69	45.03	51.52
170.61	177.40	196.97	213.30	203.55	204.95	203.19

include comparatively small amounts of expired loans which do not bear interest, either because they form part of the old Famine Insurance Fund or the present Famine on fixed deposit.

Debenture Stock, aggregating £18½ millions, on the termination of the contract with that in the foreign indebtedness of the country as a whole.

above.

Peninsula Railway Debenture Stock, aggregating £3½ millions, on the termination of the (c) above.

above.

APPENDIX III.

Statement showing the distribution, as between voted and non-voted, of the gross expenditure of the Central Government as shown in the Budgets presented to the Legislature.

[In lakhs of rupees.]

	1934-35.				1935-36.			
	Voted.	Non-voted	Total.	Per-centage of voted to total.	Voted.	Non-voted.	Total.	Per-centage of voted to total.
Expenditure charged to revenue	94,07	1,08,99	2,03,06*	46	96,73	1,09,13	2,05,86*	47
Expenditure not charged to revenue	6,16	27	6,43	96	7,09	5,25	12,34	57
Total Expenditure both charged and not charged to revenue.	1,00,23	1,09,26	2,09,49	48	1,03,82	1,14,38	2,18,20	48

*These figures have been arrived at as follows :—

Expenditure as per Budget Statements	1,20,24	1,20,95
Add—Working expenses of—		
(a) Railway Department	69,21	70,61
(b) Posts and Telegraphs	10,01	10,62
(c) Irrigation	2	1
Add—Refunds	3.55	3,67
	<u>2,03,06</u>	<u>2,05,86</u>

Appendix IV.

COMMERCIAL AND FINANCIAL STATISTICS.

Appen

COMMERCIAL AND

	1926-27.	1927-28.	1928-29.	1929-30.
	Rs.	Rs.	Rs.	Rs.
Recorded revenue compared with recorded expenditure, excluding capital expenditure not charged to Revenue—				
Surplus . . . . .	..	..	81,54,002	26,83,598
Deficit . . . . .	..	..	..	..
Capital Expenditure on Railways and Irrigation works not charged to Revenue.	27,22,07,907	82,48,48,928	25,36,12,112	30,18,89,476
Capital charge involved in the purchase of Railways	..	..	3,99,30,676	..
Capital outlay on the Posts and Telegraphs Department not charged to Revenue.	32,59,130	46,87,947	53,33,185	33,07,339
Capital outlay on Light-houses and Light-ships	..	..	..	12,821
Capital outlay on Vizagapatam Port and Security Printing not charged to Revenue.	48,33,820	19,28,440	24,47,840	35,97,772
Payments to Retrenched personnel	..	..	..	..
Outlay on Orissa and Sind	..	..	..	..
Initial Expenditure on New Capital at Delhi.	61,63,117	46,57,732	36,64,623	72,72,239
Civil Works	..	..	..	..
Committed value of pensions not charged to Revenue.	28,85,222	44,26,219	36,09,034	38,08,683
Currency Capital outlay	8,66,401	12,94,577	3,37,014	68,632
Outlay on Bombay Land Scheme	..	20,74,500	..	..
Net Public Debt incurred	-4,86,34,295	+2,44,27,984	+31,64,15,740	+50,50,22,284
Value of commodities exported, excluding Gold and Silver.	3,11,05,00,000	3,30,26,40,000	3,39,15,10,000	3,18,99,00,000
Value of commodities imported, excluding Gold and Silver.	2,40,81,80,000	2,61,52,40,000	2,63,39,80,000	2,49,70,70,000
Excess of Exports over Imports, excluding Gold and Silver.	70,23,20,000	68,74,00,000	75,75,30,000	69,28,30,000
Net Imports of Gold	19,40,00,000	18,10,00,000	21,20,00,000	14,22,10,000
Net Imports of Silver	19,86,80,000	13,83,60,000	9,77,00,000	8,62,10,000
TOTAL NET IMPORTS OF GOLD AND SILVER.	39,26,80,000	31,93,60,000	30,97,00,000	22,84,20,000
Excess of Exports over Imports, including Gold and Silver.	30,96,40,000	38,80,40,000	44,78,30,000	46,44,10,000
Net Imports of Currency Notes*	5,20,000	(b)-17,70,000	(b)-2,80,000	(b)-15,30,000
Excess of Exports over Imports, including Gold, Silver and Currency Notes.†	30,91,20,000	38,98,10,000	44,81,20,000	46,59,40,000
Council Bills and purchase of sterling (d)	2,115,000	28,325,000	30,810,000	15,215,000
Rupee Equivalent thereof	2,81,70,083	37,77,30,264	41,02,18,228	20,39,11,720
Sterling obtained in England.	..	..	..	..
Rupee Equivalent thereof	..	..	..	..
Sale of Sterling	1,425,000	..	..	..
Rupee Equivalent thereof	1,92,67,606	..	..	..
Silver coined at the Indian Mints	50,94,346	10,15,936	52,66,573	1,80,000

* Recorded from

† Represents net

(a) Includes remittances of the

(b) Net

dix IV.

FINANCIAL STATISTICS.

1930-31,	1931-32.	1932-33.	1933-34,	1934-35, Revised.	1935-36. Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
11,58,44 974	11,74,73,277	1,55,19,192	--	36,00,000	5,82,000
13,21,14,812	6,75,72,209	-72,56,706	-1,81,48,888	1,89,93,000	5,50,00,000
..
-3,67,995	87,91,876	14,81,501	5,38,292	34,50,000	55,07,000
-12,821	..	..	..	..	..
42,74,927	32,66,376	52,43,309	42,00,340	13,55,000	11,46,000
..	1,45,487	12,63,541	2,94,343	-1,11,000	-4,00,000
48,26,555	14,60,663	..	9,09,579	75,60,000	20,00,000
..	..	..	1,77 812	54,18,000	52,45,000
42,65,721	42,81,943	78,88,729	82,99,286	..	43,93,000
1,35,474	-5,843	-8,83,512	-4,14,277	-49,000	4,99,14,000
2,10,37,195	..	..	..	..	..
+40,38,17,653	+39,55,86,853	-22,40,90,842	-7,24,30,068	-5,95,99,000	-28,92,31,000
2,26,50,20,000	1,61,20,20,000	1,35,93,30,000	1,50,23,50,000	1,55,10,46,513	..
1,73,06,30,000	1,30,64,30,000	1,35,01,80,000	1,17,30,50,000	1,34,63,02,143	..
53,43,90,000	30,55,90,000	91,50,000	32,93,00,000	20,47,44,370	..
12,75,20,000	(b) -57,98,30,000	(b) -65,52,30,000	(b) -57,05,40,000	(b) -52,53,74,607	..
10,07,90,000	(b) -42,20,000	(b) -2,01,30,000	(b) -6,35,70,000	(b) -6,18,63,324	..
22,83,10,000	(b) -58,40,50,000	(b) -67,53,60,000	(b) -63,41,10,000	(b) -58,72,42,931	..
30,60,80,000	88,06,40,000	68,45,10,000	96,34,10,000	79,19,87,301	..
3,10,000	(b) -25,60,000	(b) -13,40,000	(b) -19,40,000	(b) -36,89,565	..
30,57,70,000	89,22,00,000	68,58,50,000	96,53,50,000	79,56,76,866	..
5,395,000	40,349,000	35,733,000	45,158,000	39,000,000	26,019,000
7,25,74,925	53,43 41,044	47,23,36,740	59,97,30 039	52,00,00,000	34,69,20,000
..	..	1,212,998	60 313	33,900	..
..	..	1,61,05,538	8,00,000	4,50,000	..
5,733,626	14,047,804	..	..	..	..
7,74,56,907	18,97,75,056	..	..	..	..
18,23,532	..	..	20,28 263	20,28,014	..

April 1922.

exports of gold.

Currency Department.

exports.

COMMERCIAL AND

	1926-27.	1927-28.	1928-29.	1929-30.
Maximum price in pence of an oz. troy standard Silver in London.	30½ (May)	27 (Dec.)	28½ (May)	25½ ⁵ / ₈ (Apr.).
Minimum price in pence of an oz. troy standard Silver in London.	24½ (Oct.)	24½ ⁵ / ₈ (August)	25½ (Feb.)	18½ (Mar.).
Average Exchange per rupee upon Secretary of State's Bills sold and sterling purchased.	1s. 6'02d.	1s. 5'997d.	1s. 6'02d.	1s. 5'709d.
Average of the daily telegraphic transfer rates from Calcutta on London.	1s. 5'902d.	1s. 5'93d.	1s. 5'97d.	1s. 5'85d.
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.	1s. 5½d., 1s. 6d. and 1s. 6½d.	1s. 6d.	1s. 6s.	1s. 8d.
Maximum rate of discount on loans on demand at the Imperial Bank of India.	7 (Feb. and Mar.).	7 (Apr. to June, and Dec. to Mar.).	8 (Feb. and Mar.)	8 (Apr.).
Minimum rate of discount on loans on demand at the Imperial Bank of India.	4 (June to Dec.)	4 (July to Sept.)	5 (July to Nov.)	5 (June to Oct.).
Maximum rate of discount at the Bank of England.	5 (throughout the year).	5 (April)	5½ (Feb. and Mar.)	6½ (Sept. and Oct.).
Minimum rate of discount at the Bank of England.	..	4½	4½ (Apr. to Feb.)	3½ (Mar.).
Maximum Government balance at the Imperial Bank of India. Rs.	36,41,13,000 (July).	19,97,33,000 (Apr.).	17,20,73,000 (Aug.).	20,35,73,000 (June).
Minimum Government balance at the Imperial Bank of India. Rs.	3,85,92,000 (Dec.).	3,05,09,000 (Oct.).	3,71,10,000 (Apr.).	5,83,61,000 (June).
Maximum price in Calcutta of 5 per cent. War Loan, 1929-47.	102—6	101—11	100—8	99—4
Minimum price in Calcutta of 5 per cent. War Loan, 1929-47.	99—14	100—4	99—2	94—12
Maximum price in Calcutta of 5 per cent. Income-tax free loan, 1945-55.	110—4	108—13	106—11	103—12
Minimum price in Calcutta of 5 per cent. Income-tax free loan, 1945-55.	104—9	105—13	103—4	100
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities.	79—1 (Dec.)	79—5 (Apr.)	75—10 (June)	72—5 (May).
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities.	74—6 (Apr.)	74—6 (Dec.)	71—14 (Feb. and Mar.).	63—15 (Feb.).
Maximum price in Calcutta of 3 per cent Rupee Securities.	67—14 (Dec.)	67—14 (Apr.).	64—12 (Apr. and June).	61—15 (May).
Minimum price in Calcutta of 3 per cent. Rupee Securities.	63—8 (Apr.)	63—14 (Dec.)	60—13 (Mar.)	54—13 (Feb.).

FINANCIAL STATISTICS—*contd.*

1930-31.	1931-32.	1932-33.	1933-34.	1934-35. Revised.	1935-36. Budget.
19½ (April)	21½ (Nov.)	18½ (August).	20½ (March).	27½ (March).	
12 (Feb.)	12½ (May)	16½ (Decr.).	17½ (April).	18½ (May).	
1s. 5'841d.	1s. 6'123d.	1s. 6'156d.	1s. 6'071d.	1s. 6'088d.	
1s. 5'78d.	1s. 5'91d.	1s. 6'06d.	1s. 6'02d.	1—6½	
1s. 6d.	1s. 6d.	1s. 6d.	1s. 6d.	1s. 6d.	
7 (April and Jan. to Mar.).	8 (Sept. to Jan.)	6 (April)	3½	3½	
5 (July to Nov.)	6 (May to August, February and March).	3½ (February and March).	3½	3½	
3½ (April)	6 (Sept. to Feb.).	3½ (April)	2	2	
3 (May to Mar.)	2½ (May to July)	2 (June to Mar.).	2	2	
23,70,44,000 (Aug.).	21,26,89,000 (July)	20,08,62,000 (July).	12,50,13,000 (April).	10,21,67,000 (May).	
6,94,35,000 (Dec.).	6,35,46,000 (Dec.).	5,64,00,000 (Nov.).	5,83,69,000 (June)	5,16,36,000 (Sept.).	
95—9	94—14	102—7	100—5 } repaid in May 1933.		
94—3	79—0	89—12	100—0 }		
101—9	101—11	113—6	114—10	119—9	
99—4	88—8	98—6	109—0	114—10	
68—14 (April).	63—0 (April).	88—9 (March).	88—12	98—12	
61—5 (Mar.)	51—7 (Jany.).	60—8 (April).	79—8	87—8	
59 1 (April)	54 (April).	75—15 (March).	76—1	90—0	
52—9 (Mar.)	44—1 (Jany.).	51—14 (April).	68—3	75—0	

COMMERCIAL AND

	1926-27.	1927-28.	1928-29.	1929-30.
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts Rs.	8,59,21,000 (Oct.).	8,73,81,000 (Dec.).	9,08,98,000 (July)	8,71,22,000 (Apr.).
Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts Rs.	8,19,29,000 (Sept.).	8,09,28,000 (Nov.).	8,23,92,000 (June).	8,41,97,000 (March).
Maximum price in London of 3½ per cent Rupee Securities in £	57½	58	56	53
Minimum price in London of 3½ per cent Rupee Securities in £	54½	55½	52½	47
Maximum price in London of India 3½ per cent Stock.	74½	73½	72½	70
Minimum price in London of India 3½ per cent Stock	67½	68	66½	55½
Maximum price in London of India 3 per cent Stock	63½	62½	62	60
Minimum price in London of India 3 per cent Stock	57½	59	56½	47
Maximum price in London of India 2½ per cent Stock	52½	52	52½	50½
Minimum price in London of India 2½ per cent Stock.	48½	49	48½	40½
Maximum price in London of 5½ per cent Stock, 1932	104	103½	103½	102
Minimum price in London of 5½ per cent Stock, 1932	101	100½	100½	96
Maximum price in London of 6 per cent Stock, 1932-33.	..	..	..	..
Minimum price in London of 6 per cent Stock, 1932-33.	..	..	..	..
Maximum price in London of 6 per cent Stock, 1933-34	..	..	..	..
Minimum price in London of 6 per cent Stock, 1933-34	..	..	..	..
Maximum price in London of 6 per cent Stock, 1933-35	..	..	..	..
Minimum price in London of 6 per cent Stock, 1933-35	..	..	..	..
Maximum price in London of 6 per cent Stock, 1935-37.	..	..	..	..
Minimum price in London of 6 per cent Stock, 1935-37	..	..	..	..
Maximum price in London of 5½ per cent Stock, 1936-38	..	..	..	..
Minimum price in London of 5½ per cent Stock, 1936-38.	..	..	..	..
Maximum price in London of 4½ per cent Stock, 1950-55	93½	94½	95½	91½
Minimum price in London of 4½ per cent Stock, 1950-55	88½	89½	89½	78
Maximum price in London of 4½ per cent Stock, 1953-63	..	..	95	91½
Minimum price in London of 4½ per cent Stock, 1953-63.	..	..	87	77
Maximum price in London of 5 per cent Stock, 1942-47	..	..	..	..
Minimum price in London of 5 per cent Stock 1942-47	..	..	..	..
Maximum price in London of 4 per cent Stock, 1948-53	..	..	..	..
Minimum price in London of 4 per cent Stock, 1948-53	..	..	..	..
Maximum price in London of 3½ per cent Stock, 1954-59.	..	..	..	..
Minimum price in London of 3½ per cent Stock, 1951-59	..	..	..	..
Maximum Government Paper Currency outstanding. Rs.	2,01,09,29,000 (Sept.)	1,86,28,92,000 (Jan.)	1,92,47,81,000 (Feb.)	1,87,70,75,000 (June).
Minimum Government Paper Currency outstanding Rs.	1,80,0,24,000 (Feb.)	1,69,68,18,000 (June)	1,77,15,84,000 (June).	1,77,29,06,000 (Mar.).
Number of Post Office Savings Banks	11,994	12,326	12,422	12,763
Number of accounts in Post Office Savings Banks	2,518,142	2,606,071	2,020,882	2,304,904
Amount deposited in Savings Banks (balance at end of year) Rs.	29,50,89,541	32,66,68,188	34,49,07,680	37,13,13,370
Average of each deposit Rs.	117.19	125.34	170.67	161.10
Net addition to deposits Rs.	2,27,74,777	3,15,78,647	1,82,39,492	2,64,05,490

FINANCIAL STATISTICS—*concd.*

1930-31.	1931-32.	1932-33.	1933-34.	1934-35, Revised.	1935-36. Budget.
8,54,29,000 (May).	8,33,45,000 (April).	8,38,39,000 (April).	10,75,73,000 (April).	8,56,94,000 (Novr.)	
8,34,03,000 (March).	8,24,70,000 (Jany.).	8,20,07,000 (Oct.).	8,16,05,000 (February).	8,07,72,000 (Sept.).	
49½	45½	63	65½	72½	
44½	37	44½	59½	65½	
68½	65	93½	90½	99½	
55½	41	49½	77½	86½	
59½	55½	82	78½	93½	
47	34	42½	65½	74	
49	46	69½	65½	83½	
40½	29½	36	55½	61½	
103½	101½	..	..	..
96	95	..	..	..
104 13/16	102½	..	..	..
99 9/16	90	..	..	..
(a) --	(a) 101½	105 29/32	..	..
--	87	93½	(a) --	..	
105½	102 7/16	(a) 104½	(a) ..	(a) ..	
99 5/16	87	91½	..	..
103½	102 15/16	109	108 15/16	106 15/16	
101	87	88½	106½	103½	
--	97½	108½	109½	107½	
..	77	84½	106½	105½	
90	87½	109½	110½	114½	
78	55	67½	102	107½	
89½	86 9/16	110½	111	117	
77	54½	67½	102½	108½	
..	..	112½	112	116½	
..	..	95½	106	109½	
..	..	..	104 13/16	110	
..	..	..	97½	102½	
..	..	..	..	10 1/16	
..	..	..	..	95 11/16	
1,74,14,84,000 (April)	1,82,31,76,000 (February).	1,76,89,58,000 (March)	1,80,04,35,000 (October)	1,85,63,74,000 (October)	
1,66,53,56,000 (Feb.)	1,46,22,59,000 (September)	1,67,83,20,000 (May)	1,75,46,06,000 (June)	1,76,75,32,000 (April).	
12,846	12,880	12,690	12,877		
2,477,613	2,401,527	2,786,645	3,089,267		
37,02,59,875	38,20,33,085	43,45,37,410	52,23,24,420		
149,44	159,08	158,79	169,08		
-10,53,495	1,17,73,210	5,25,04,325	8,77,87,010		

(a) According to calendar year.

